

104  
THE DEVELOPING OF SUCCESSFUL PUBLIC  
HOUSING RESIDENT MANAGEMENT

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Y 4.G 74/7:P 96/7

The Developing of Successful Public...

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES  
AND INTERGOVERNMENTAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT  
REFORM AND OVERSIGHT  
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

JUNE 3, 1996

Printed for the use of the Committee on Government Reform and Oversight



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# THE DEVELOPING OF SUCCESSFUL PUBLIC HOUSING RESIDENT MANAGEMENT

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MONDAY, JUNE 3, 1996

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON HUMAN RESOURCES AND  
INTERGOVERNMENTAL RELATIONS,  
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,  
*St. Louis, MO.*

The subcommittee met, pursuant to notice, at 9:04 a.m., in the St. Louis Housing Authority, 4100 Lindell Boulevard, St. Louis, MO, Hon. Christopher Shays (chairman of the subcommittee) presiding.

Present: Representatives Shays and Towns.

Staff present: Demi Greatorex, professional staff member; Thomas M. Costa, clerk; and Denise Wilson, minority professional staff member.

Mr. SHAYS. I would like to call this hearing of the U.S. Congress Committee on Government Reform and Oversight, Human Resource and Intergovernmental Relations Subcommittee to order.

I would like to welcome our witnesses and any guests that we may have and thank my ranking member for agreeing to come to St. Louis for this hearing.

We are here today to fulfill two promises. The first I made to Bertha Gilkey, when she testified before the subcommittee on November 9 last year. After her, needless to say, forceful testimony on public housing residents empowerment, I promised to bring our hearings out of Washington into public housing developments where tenants are taking their homes and their lives back from the gangs, drugs, and economic isolation. When I made that promise, I doubt she thought we would be on her doorstep 7 months later, but here we are, because this community continues to live its commitment to tenant empowerment.

There is a second promise. We confront today the promise of public housing to empower tenants to a better life. It is a promise fulfilled when residents are able to manage their own property. It is a promise fulfilled when resident businesses provide empowerment and bring business activity back into economically devastated neighborhoods. It is a promise fulfilled when children learn self-respect and self-sufficiency by watching their parents and neighbors build their community. But like a seed planted in rocky soil, the promise of tenant initiatives must be nurtured and protected against an often hostile environment.

The housing authority's resistance to tenant empowerment can be an insurmountable barrier to resident initiatives. Poor manage-

ment of resident programs by the Department of Housing and Urban Development [HUD] can waste scarce resources, and bring disrepute to all resident management programs. Tenant management can be a victim of its own success, as resident leaders move up and move on, leaving a vacuum of trained organizers and administrators.

On the other hand, a supportive housing authority can be an invaluable partner in cultivating successful tenant programs. HUD guidance and technical assistance are essential ingredients of resident management and residents must be willing to devote the time, energy, and cooperative spirit needed to sustain their efforts.

Today, we ask our witnesses to answer one key question—what makes public housing resident management work. The answers you provide will help us meet the challenge and fulfill the promise of public housing in this era of expanding need and limited budgets. We are here because we need to know how to expand tenant empowerment initiatives in future public housing. The administration and the Republican Congress are finishing work on housing legislation to do for the Nation's troubled public housing what you and others have already done for yourselves—transform projects into neighborhoods and build strong communities on a foundation of dignity and hope as well as cement and bricks. There is bipartisan agreement on these goals. We seek your advice on how best to achieve them.

Last week, HUD held its public housing summit in Washington. There, Vice President Gore admitted not all wisdom on public housing matters flows from the Potomac, "A lot of mistakes were made," he said, adding, "In the end, public housing became a place where few people worked, few fathers lived with their families and role models were scarce. The most successful men around were drug dealers and gang members."

I am told that is not the case in Cochran Gardens, nor was it the case when we visited 1230 North Burling in Chicago's Cabrini Green. We are here to find out how to energize more public housing developments with the power of residents taking responsibility for their own homes, their own children, their own neighborhoods, and their own lives. We would not be here at all if it were not for the health and hospitality of the St. Louis Housing Authority. In particular, I want to express our appreciation to Dorothy White-Coleman, chairman of the SLHA Board; Joan Bernstein, vice chair, and executive director, Janice Washington. We also are grateful to our colleague Congressman Bill Clay. And finally, our thanks to Bertha Gilkey, Norma Bell, and those at Cochran Garden Tenant Management Corp. for their help in preparing for this hearing.

We welcome our witnesses and assure you that your testimony today is deeply appreciated.

With that, I would like to yield to my colleague, Mr. Towns.

Mr. TOWNS. Thank you very much, Mr. Chairman, and let me commend you on your dedication and commitment to tenant management. Also, I think it is important that we have field hearings like this to be able to get out into the community to see what is going on. I think it is important to get away from the beltway to take a very serious look, especially at successful programs.

The benefits of successful resident management are real. Resident managers tend to be more cost-effective in their execution of management functions. Resident management can transform dysfunctional public housing developments where maintenance, security, and public safety problems are prevalent. However, progress toward resident management is often difficult for all participants in the process. Power sharing usually is. You only have to tune into C-SPAN and see us operate in the U.S. Congress and you can see that power sharing is a problem, but we are learning.

For resident management to be successful, resident groups, local housing authorities, and HUD must work together constructively to develop the appropriate balance of power and responsibility. That relationship will vary from site to site but common success factors do exist and that is what I am hoping to be able to identify today—those success factors, so that we can help and not hinder resident efforts to exercise more control over the communities in which they live.

Let me say at the outset I endorse, I support, I believe in resident management, but I recognize we have got to meet people where they are. Tenant management is important and we should never, never, never forget that. However, job development is also important and child care facilities are also important. We must establish grocery stores and the list goes on and on. These initiatives are just as viable and for many, may in fact be the building blocks to management opportunities and we should not forget that either. If we do, I am certain that people like Bertha Gilkey will remind us.

It is also important to note that some resident organizations do not have the capacity to exercise the necessary performance and financial accountability to manage their buildings. I support the broad objectives of the Tenant Opportunities Program because it seeks to be responsive to all of these circumstances. Although funding was cut by 40 percent, which was a mistake, the \$15 million of the Tenant Opportunities Program is still the only Federal dollars public housing residents receive to carry out initiatives that they determine to be important and necessary, including, but not limited to, management.

Finally, Mr. Chairman, I am reminded that in a previous hearing Bertha Gilkey cited that in her view there are two critical elements of successful resident management. She said an interested and committed group of tenants who want to take on the difficult task of management. And an interested and committed local housing authority willing to share decisionmaking and authority with the residents. And I agree with all of that but I would like to add a couple.

A third element, an interested and committed HUD, which, based on reform measures they have implemented, can surely be depended upon. And I think that is important. But let us not forget the fourth element—interested and committed congressional support that will not cut TOP funding, but increase TOP funding.

Mr. Chairman, I am interested and I am committed to working with you to ensure that all these conditions are met. I commend your leadership, I think it is a great idea to come to St. Louis to talk to people that have been involved in doing positive kinds of

work, and I think this is the place—if you want to learn, this is the place to come.

Mr. SHAYS. Thank you very much, Mr. Towns.

Let me just get some bookkeeping stuff out of the way. I would ask unanimous consent that all members of the subcommittee be permitted to place any opening statements in the record and that the record remain open for 3 days for that purpose. And without objection, so ordered.

I would also ask unanimous consent that our witnesses be permitted to include their written statements in the record. And without objection, so ordered.

I would make a note that while we are meeting today in St. Louis, we have representatives from Missouri, Ohio, Pennsylvania, New York as well as Texas, Minnesota, and Illinois. We have people who have come to testify from all around, and I am very grateful for their willingness to come to St. Louis instead of to Washington.

With that, what I would like to do is call our first panel. I am not sure if they have all arrived—but Andrew Boeddeker, director of public housing, Department of Housing and Urban Development, Kansas City, MO; Claire Freeman, executive director from Cleveland, OH; and Arthur Haywood, the staff attorney, Regional Housing Legal Services in Glenside, PA.

If you would come and remain standing, we will swear in all our witnesses. If you would, move those three chairs, kind of center them, if you do not mind. If you would remain standing, I will swear you in and we may have to swear in our next witness in a bit here.

[Witnesses sworn.]

Mr. SHAYS. For the record, Mr. Boeddeker and Mr. Haywood have been sworn in. We will start with Mr. Boeddeker. It is nice to have you here today.

**STATEMENTS OF ANDREW BOEDDEKER, DIRECTOR OF PUBLIC HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, KANSAS CITY, MO; ARTHUR HAYWOOD III, STAFF ATTORNEY, REGIONAL HOUSING LEGAL SERVICES, GLENSIDE, PA; AND CLAIRE FREEMAN, EXECUTIVE DIRECTOR, CUYAHOGA METROPOLITAN HOUSING AUTHORITY, CLEVELAND, OH**

Mr. BOEDDEKER. Good morning, thank you.

Mr. SHAYS. Good morning.

Mr. BOEDDEKER. Chairman Shays and members of the committee, I would like to thank you for this opportunity to speak with you today about the resident management programs at the Carr Square and Cochran developments in the St. Louis Housing Authority. In the interest of time, Mr. Chairman, I have condensed my prepared remarks, but I would like to ask that my full statement be included in the record.

Working in the St. Louis HUD office since 1980 and especially as the director of public housing here, I have watched the progression and diversification of these resident-led management corporations from a unique vantage point. Resident management has prospered in St. Louis, but this growth has not come without some

pain. All of us connected with resident management—the Department, the housing authority, and the resident groups themselves—have been tempered in the process. The important thing to remember as I recount our history is that resident management has not just survived, but it has endured. It is an important distinction. The dictionary defines “endure” this way: “to carry on through, despite hardships; to bear with tolerance.”

Resident management in St. Louis has endured because the Department, the housing authority, and most fundamentally the residents, have forged a commitment to an idea and worked hard to realize that goal. Continuity and tolerance are two of the most powerful lessons we have learned. They underscore the successes and failures that we have had along the way.

By the time resident management was formalized within HUD nationally, St. Louis already had a solid record of demonstrated experience in the field. Because of my involvement, I am a longstanding proponent of resident-driven programs that recognize and encourage responsibility and initiative. I have seen firsthand how resident management has fundamentally changed the mechanics of the normal landlord-tenant relationship between the housing authority and the residents, allowing residents to work through disputes on more equal footing with housing authority staff and how both sides have been able to negotiate in good faith for win-win solutions to problems.

In my view, the key elements for a successful resident management program are: Involvement of as many residents as possible and dynamic, informed resident leadership; willingness by the PHA to let go of some of their traditional rights and responsibilities; and provision of adequate funding resources to assure that the public housing developments can be brought up to the standard of “decent, safe and sanitary” housing.

I would like to expand on each of these elements and then I will discuss how they played out in St. Louis.

First, on the issue of involving as many residents as possible in the resident management effort, it is critical that the organization's base be as broad as possible. Continuity also demands there be a mix of old or long-term residents who remember how it was—

Mr. SHAYS. Excuse me a second. Could I just ask that the noise be kept down a little. Thank you.

Mr. BOEDDEKER [continuing]. And can impress newer tenants how far the group has come. They offer reassurance that the struggle will pay off. Newer members are equally important because they bring the energy of new ideas to enhance the ongoing efforts. Leadership can and should be drawn from both groups. Public housing has been gifted with some special individuals who by personality, energy, intelligence and sheer grit can bring their neighbors together. They want change and are willing to take the risk to make it happen. In my view, the critical skills for residents to bring to their work in this management process are: The ability to listen as well as the ability to persuasively present their case—good communication skills; patience; the ability to remain focused on the issues, not to be distracted by the emotion of heated discussions, no matter where they take place or with whom; the ability to organize the group, to take the energy and strong feelings of the

participants and shape it along disciplined, functional lines of organizational responsibility; and the ability and willingness to recognize some are leaders and some are members—not followers, but part of an active base that constantly contributes ideas and implements the scope of work.

The second key for the success of a resident management process focuses on the housing authority. The first step and maybe the toughest is facing the fact that they must give up some other control that they have traditionally exercised. Then they must be willing to actually do it. It is a matter of walking the walk and talking the talk. The critical skills that a housing authority staff must bring to their work in the management process are: negotiation skills; facilitation skills; patience and understanding; and the ability to recognize that we are all human beings and the ability to treat people accordingly.

The last two are especially important. There can be, and usually is, an enormous gulf between the circumstances of a housing authority management and those of the residents. A difference in power is only part of it. Power affects attitude in ways that are both subtle and personal. Thinly disguised paternalism can hide behind well-intentioned efforts. Making an effort to walk in the residents' shoes establishes the ground rules for all sides in the discussion.

The Department of Housing and Urban Development itself, along with the congressional committees with budgetary responsibilities, is directly involved in the third factor for success of a resident management program. No matter how conscientious, attentive and energetic you may be in promoting and implementing resident management, if a viable structure is not part of the equation, you will fail. To save the development, you need appropriate funding.

In my experience, it was not always the case of no resources, sometimes it was a matter of misallocated resources. Nationally, funding was going to PHAs or local constituencies where, although it may be needed, money was not used in a timely fashion.

Along with money, it was also crucial that the best of the Department's human resources be assigned to resident management endeavors, especially on the local level. The residents and the PHA have different agendas and different goals to be met. As a stakeholder in the process, the Department can offer options for consideration that can serve to significantly mitigate differences between the key players.

Should I continue?

Mr. SHAYS. Yes.

Mr. BOEDDEKER. OK.

St. Louis resident management. Both the Carr Square and Cochran resident groups have had the benefit of strong, dynamic leadership from the beginning. Although they have different leadership styles, both Bertha Gilkey at Cochran and Loretta Hall at Carr Square, have been unrelenting in their pursuit of resident management goals. Bertha Gilkey has been at the forefront both visually and vocally. Loretta Hall has worked behind the scenes to develop the support framework that moves an idea from hope to accomplishment. I believe that it was their combined strengths and gifts

that resulted in their success. It is the old story of synergy making one plus one equal way more than two.

These two leaders recognized early on the necessity of a strong resident membership base. They continue to work at expanding their membership. They have used innovative approaches to recruit members, encourage participation, and keep people living in the developments informed of RMC's ongoing work.

The only downside noted at this time is one many organizations have when their leadership is so strongly identified with one person—the issue is succession. Without an effort to mentor new leaders, the organizations will suffer when change occurs at the top. Developing leadership potential from within the ranks must be a priority issue to assure the RMC's objectives continue to be met.

With regard to the St. Louis Housing Authority's involvement in the realization of resident management at Carr Square and Cochran Gardens, I believe it has been generally supportive. Initially the impetus was to get the rent strike settled. Since that time, each director of the housing authority and their administrations have viewed resident management differently. Some have been more supportive than others, some less, some have been downright hostile. The St. Louis Housing Authority's board of commissioners have generally been supportive. In fact, they worked with the resident management groups and did not oppose getting a State law revised to require housing authority residents to be included on the board. As a result, the board of commissioners has remained an authoritative force focused on achieving resident management at the housing authority.

Today, resident management is intertwined in the mind of the housing authority's staff with success of the tenants. The recent work on the plan for the Vaughn development here is a case in point. In my view, residents cannot just buy into an idea, they have to own it. It is crucial to make any project work. This philosophy is actively pursued and put into practice at the St. Louis Housing Authority.

The major problem in looking at a housing authority's role over time has been one I mentioned earlier—a change in leadership in the PHA can mean a change in support for resident management. Housing authority turnover also impacts residents' expectations. Residents get used to one executive director and their style, it becomes kind of a shorthand in the negotiations. When change occurs, the learning curve on both sides starts all over. Progress is slowed.

Mr. SHAYS. I am just going to interrupt you for a second. We can take those reserve signs away. Please feel free to sit down anywhere and we should get some more chairs if we need them. I am sorry.

Mr. BOEDDEKER. Again, continuity is central to achieving the goal.

In looking at the issue of departmental resources in support of St. Louis' resident management efforts, early problems have been corrected. At that time, Cochran Gardens received significant funding while money for Carr Square was sporadic at best. With the initiation of the Comprehensive Grant Program as a replacement for the old Comprehensive Improvement Assistance Program

[CIAP] process, the housing authority has been able to pursue a more holistic approach toward rehabilitating and improving developments. Carr Square has benefited as a result.

The involvement of private real estate developers and managers like McCormack, Baron & Associates has been a real boon to resident management.

Mr. SHAYS. Can I just interrupt you for a second?

I am just not particularly happy with the fact that we have so few seating areas for people. Do you mind just waiting a second?

Mr. BOEDDEKER. No, that is fine.

Mr. SHAYS. This is a very small room and I am sorry that we are meeting in such a small room.

[Pause.]

Mr. SHAYS. Why do you not continue.

Mr. BOEDDEKER. The involvement of private real estate developers and managers like McCormack, Baron & Associates has been a real boon to resident management. These groups have filled a vital role, providing advice and guidance to the RMC's.

The expertise of HUD staff at headquarters and at the field level has also been shown to be particularly useful in negotiating resident management contracts. In the day-to-day negotiations, field office staff demonstrated their skill in resolving any number of onerous issues while headquarters provided guidance on the murkier aspects of financial analysis.

There is a fourth stakeholder that I have not mentioned before. Their contribution was essential to accomplishing the resident management goal. I cannot say it strongly enough. Acceptance of the concept in its full scope by the city itself is absolutely critical. The mayor of St. Louis and the board of aldermen have generally been supportive to this endeavor.

I began my testimony by citing two of the most powerful lessons we have learned on the road to resident management here in St. Louis. They were continuity and tolerance. I would like to end it by reiterating the fact that resident management has not just survived, it has endured. All of us involved in the process are personally committed to making resident management succeed. I am very proud of the work we have done together. We have seen resident management fully realized at both Carr Square and Cochran Gardens. I look forward to repeating the story again, encouraging the next generation of resident leaders, community advocates, civil servants, and public housing professionals.

I would like to thank you for providing me with the opportunity today. Thank you.

[The prepared statement of Mr. Boeddeker follows:]

Chairman Shays and members of the Committee, I would like to thank you for this opportunity to speak with you today about the Resident Management programs at the Carr Square and Cochran developments in the St. Louis Housing Authority. Working in the St. Louis HUD Office since 1980, and especially as Director of the Office of Public Housing here, I have watched the progression and diversification of these resident-led management corporations from a unique vantage point. Resident management has prospered in St. Louis. But this growth has not come without some pain. All of us connected with resident management -- the Department, the Housing Authority, and the resident groups themselves -- have been tempered in the process. The important thing to remember as I recount our history is that resident management has not just survived, it has endured. It is an important distinction. The dictionary defines "endure" this way:

"to carry on through, despite hardships; to bear with tolerance."

**Resident management in St. Louis has endured because the Department, the Housing Authority and, most fundamentally, the residents have forged a commitment to an idea and worked hard to realize that goal. Continuity and tolerance are two of the most powerful lessons we have learned. They underscore the successes and failures that we have had along the way.**

## HISTORY

The resident management impetus grew out of the events surrounding the tenant rent strike against the St. Louis Housing Authority in 1969. By the time I arrived at the St. Louis HUD Office in 1980, both the Cochran Gardens Tenant Management Corporation and the Carr Square Village Tenant Management Corporation had been established. Functioning since 1976, they were assuming responsibilities that I would characterize as "soft management duties" four years later. These new duties included tenant screening, custodial work, minor maintenance responsibilities, orientation of new residents, and home visits as part of the application and admissions process.

By the time Resident Management was formalized within HUD nationally, St. Louis already had a solid record of demonstrated experience in the field. The Department issued the regulations implementing the Resident Management provisions under Section 20 of the United States Housing Act of 1937 in December of 1986. It was also in 1986 that both St. Louis Resident Management Corporations assumed the full slate of "hard management responsibilities". This work included: all routine maintenance and completion of work orders at their respective developments; landscaping; plumbing; and other technical repair specialties.

In the early 1990's, the Resident Management groups and the St. Louis Housing Authority entered into negotiations for the transfer of total management responsibilities for Carr Square and Cochran to the residents. The agreement detailed the RMCs' responsibility for all extraordinary maintenance with the exception of the elevators at Cochran. In April 1990, the transfer of responsibilities was marked by a change in the funding stream. The RMCs went from receiving a straight management fee to actually receiving operating subsidy. All dollars were contractually earmarked for the RMCs, with the PHA taking out only the direct costs incurred on the RMCs' behalf for items like debt service, utilities and elevator maintenance. The PHA is still responsible for some administrative matters including rent collection. The timed progression in transferring power and responsibilities from the Housing Authority to the RMCs is continuing. There have been new management groups at other developments who have followed the example of Cochran and Carr Square. On August 19, 1995, a resident group at Blumeyer Village, under the leadership of Paula Foster, assumed duties for the family units, and have a contract for a commensurate management.

### KEY ELEMENTS FOR SUCCESS

Because of my involvement, I am a longstanding proponent of resident-driven programs that recognize and encourage responsibility and initiative. If you work in the Office of Public Housing at the Field Office level, the job constantly provides you with the opportunity to meet tenants and Housing Authority officials on a day-to-day basis. You get to hear their problems. You recognize the mutual frustration they experience as they confront the issues endemic to the "landlord/tenant" relationship. I have seen first-hand how resident management has fundamentally changed the mechanics of that relationship, allowing residents to work through disputes on more equal footing with PHA staff, and how both sides have been able to negotiate in good faith for win/win solutions to problems.

**In my view, the key elements for a successful Resident Management Program are:**

- Involvement of as many residents as possible AND dynamic, informed resident leadership
- Willingness by the PHA to let go of some of their traditional rights and responsibilities.
- Provision of adequate funding resources to assure that the public housing developments can be brought up to the standard of "decent, safe, and sanitary" housing.

I would like to expand on each of these elements. Then I will discuss how each played out in the St. Louis experience.

First, on the issue of involving as many residents as possible in the resident management effort, it is critical that the organization's base be as broad as possible. It can start small, but by the time the group wants to assume management responsibilities, the membership must be large enough to physically shoulder the work. Continuity demands that there be a mix of older, long-term residents who remember how it was before and can impress newer tenants with how far the group has come. They offer reassurance that the struggle will pay off. Newer members are equally important because they bring the energy of new ideas to enhance the on-going efforts.

Leadership can and should be drawn from both groups. Public Housing has been gifted with some special individuals who by personality, energy, intelligence, and sheer grit can bring their neighbors together. They want change and are willing to take the risks to make it happen. They may vary in temperament and physical characteristics, but they are alike in their dogged sense of the justice of their cause. In my view, the critical skills for residents to bring to their work in this management process are:

- the ability to listen, as well as the ability to persuasively present their case -- communication skills;
- patience;
- the ability to remain focused on the issues, not to be distracted by the emotion of heated discussions, no matter where they take place or with whom;
- the ability to "organize" the group, to take the energy and strong feelings of the participants and shape it along disciplined, functional lines of organizational responsibility;
- the ability and willingness to recognize **some are leaders and some are members** -- not followers, but part of an active base that constantly contributes ideas and implements the scope of work.

The second key for the success of a Resident Management process focuses on the Housing Authority. It may seem trite, but PHAs have got to really make a commitment to making Resident Management happen in their developments. This is much more than lip-service. The first step, and maybe the toughest, is facing the fact that they must give up some of the control they have traditionally exercised, and then being willing to actually do it. It's a matter of "Walking the walk and talking the talk". The difference between being ORDERED to do something versus VOLUNTEERING to do something always shows in the quality and caliber of the finished product. The critical skills that a Housing Authority staff must bring to their work in this management process are:

- negotiation skills;
- facilitation skills;
- patience and understanding;
- the ability to recognize that "we are all human beings", and the ability to treat people accordingly.

These last two are especially important. There can be, and usually is, an enormous gulf between the circumstances of PHA management and those of residents. A difference in power is only part of it. Power effects attitude in ways that are both subtle and personal. Thinly disguised paternalism can hide behind well-intentioned efforts. It takes patience and understanding at a conscience level to counteract that attitude. Making an effort "to walk in the residents' shoes" establishes the ground rules for all sides in the discussion. Recognizing our common humanity and treating people accordingly can be the natural outcome of these efforts.

The Department of Housing and Urban Development itself, along with the Congressional Committees with budgetary responsibilities, is directly involved in the third factor for success of a Resident Management program. It is patently unfair to expect Resident Management to succeed where the housing stock is not viable. This is particularly true in those cases where the Housing Authority has already effectively given up on certain buildings. In the long run, without adequate funding to support the rehabilitation and on-going maintenance, non-viable housing under resident management is doomed to failure. In this scenario, no matter how conscientious, attentive, and energetic you may be in promoting and implementing resident management, if viable structures are not part of the equation, you will fail. To truly save the development, you need appropriate funding.

In my experience, it was not always a case of "no resources". Sometimes it was a matter of misallocated resources. Nationally, funding was going to PHAs or local constituencies where, although it may have been needed, money wasn't used in a timely fashion. Project start-up was slowed, so dollars sat idle. At the same time, other locations were ready to start rehabilitation projects, but had no money.

Along with money, it is also crucial that the best of the Department's human resources be assigned to Resident Management endeavors. People trained in facilitation and negotiation, who can support the process and intercede where necessary, are essential. Although needed at all levels, these "resources" are particularly important on the level of local involvement. The residents and the PHA have different agendas and different goals to be met. The Department, as a stakeholder fully vested in the outcome, can offer options for consideration that serve to mitigate differences between the other key players.

## ST. LOUIS RESIDENT MANAGEMENT

Both the Carr Square and Cochran resident groups have had the benefit of strong, dynamic leadership from the beginning. Although they have different leadership styles, both Bertha Gilkey at Cochran and Loretta Hall at Carr Square have been unrelenting in their pursuit of resident management goals. Bertha Gilkey has been at the forefront both visually and vocally. Loretta Hall has worked behind the scenes to develop the support framework that moves an idea from hope to accomplishment. **I believe that it was their combined strengths and gifts that resulted in their success.** It was the old story of synergy making one plus one equal more than two.

These two leaders recognized early on the necessity of a strong resident membership base. They continue to work at expanding their membership. They have used innovative approaches to recruit members, encourage participation, and keep people living in the developments informed of the RMCs' on-going work.

The only downside noted at this time is one many organizations have when their leadership is so strongly identified with one person. The issue is succession. Because there is no real effort to mentor a cadre of new leaders, there may be a temporary breakdown within the organization when there is a change at the top. There needs to be clear, discernable development of leadership potential from within the ranks. There is still time, but both organization need to make this a priority to assure their objectives continue to be met.

With regard to the St. Louis Housing Authority's involvement in the realization of resident management at Carr Square and Cochran Gardens, I believe it has been generally supportive. Initially, the impetus was to get the rent strike settled. Since that time, each Director of the SLHA and their administrations have viewed resident management differently. Some have been more supportive than others; some, less; some have been downright hostile. The SLHA's Board of Commissioners have also been generally supportive. In fact, they were instrumental in getting state law revised to require two Housing Authority residents be included on the Board. As a result, the Board of Commissioners has remained an authoritative force focused on achieving resident management at the SLHA.

Today, resident management is intertwined in the mind of the Housing Authority's staff with success of the tenants. For instance, the recent Vaughn development project required a working partnership between HUD, the SLHA, and the developer, but it also has strong resident representation from the Tenant Affairs Board. Resident input was the key to having a properly designed, livable development for the Vaughn plan. **In my view, residents can't just "buy into" an idea, they have to "own" it!** It's crucial to making any project work. This philosophy is actively pursued and put into practice by the current staff at the St. Louis Housing Authority.

The major problem when looking at the PHA's role over time has been the one I mentioned earlier -- change of leadership in the administration of the PHA can mean a change in support of the resident management role. PHA turnover in key executive positions points up another logistical shortcoming - residents' expectations. Residents get used to one Executive Director and their "style". It becomes a kind of shorthand in the negotiations. When change occurs, the learning curve on both sides starts all over. Progress is slowed. Again continuity is central to achieving the goal.

In looking at the issue of Departmental resources in support of St. Louis' resident management effort, there were problems early on which have been corrected. In the early years, Cochran Gardens received significant funding, while money for Carr Square was sporadic at best. With the initiation of the Comprehensive Grant Program as a replacement for the old CIAP (Comprehensive Improvement Assistance Program) process, the PHA has been able to pursue a more holistic approach toward rehabilitating and improving developments. Carr Square has certainly been one of the most visible beneficiaries.

The involvement of private real estate developers and managers like McCormack, Baron and Associates has been a real boon to resident management. These groups have filled a vital role, providing advice and guidance to the RMCs. They have shown that they were committed for the long haul. This kind of involvement has played a critical role in the effectiveness of the RMCs.

The expertise of HUD staff, at Headquarters and at the Field level, has also been shown to be particularly useful in negotiating Resident Management contracts. In the day-to-day negotiations, Field Office staff demonstrated their skill in negotiating and facilitating resolutions to onerous issues. They exercised patience with and concern for both sides. Headquarters staff provided guidance and training on the murkier aspects of the necessary financial analysis. They waded through contracts, and researched the regulations to provide options that were strategic and equitable.

There is a fourth stakeholder that I have not mentioned before. Their contribution was essential to accomplishing the resident management goal. I cannot say it strongly enough. **Acceptance of the concept in its full scope by the City itself is absolutely critical.** The Mayor of St. Louis and the Board of Alderman have generally been supportive to this endeavor.

I began my testimony by citing two of the most powerful lessons we have learned on the road to resident management here in St. Louis. They were continuity and tolerance. I would like to end by reiterating the fact that resident management has not just survived, it has endured. All of us involved in the process are personally committed to making resident management succeed. I am very proud of the work we have done together. We have seen resident management fully realized at both Carr Square and Cochran Gardens. I look forward to telling this story over and over, encouraging the next generation of resident leaders, community advocates, civil servants, and public housing professionals. I would like to thank you for providing me with this opportunity today. Thank you.

Mr. SHAYS. Is your mic on? It is such a small room, but just check. Is your mic on, too, Mr. Haywood?

Mr. HAYWOOD. Yes.

Mr. SHAYS. Would you just give me your four stakeholders again?

Mr. BOEDDEKER. The four stakeholders are the residents, the housing authority, HUD, and the city of St. Louis.

Mr. SHAYS. Thank you.

Ms. Freeman, are you prepared to testify now or do you want a little time to relax?

Ms. FREEMAN. That would be nice.

Mr. SHAYS. We will go with Mr. Haywood. Then we will be swearing you in and welcoming you to testify.

Mr. Haywood, thank you for coming. You came from Kansas, not as far, and you came from Pennsylvania?

Mr. HAYWOOD. Yes.

Mr. SHAYS. It is very nice of you to come. It would have been a little easier to come to Washington.

Mr. HAYWOOD. A little bit.

Mr. SHAYS. Thank you for being here.

Mr. HAYWOOD. Although I have relatives here, so it worked out pretty well for me. Thanks a lot.

Mr. SHAYS. I like your honest answer.

Mr. HAYWOOD. Thank you for inviting me. I also wanted to thank Bertha Gilkey and Dorothy Harrell.

My organization, Regional Housing Legal Services, has provided legal representation to Abbottsford Homes Tenant Management Corp. since February 1989. As you will hear later today, Abbottsford Homes Tenant Management Corp. has managed a 700-unit public housing site in Philadelphia since 1991. My comments today are made on behalf of AHTMC.

My testimony here will primarily focus on national policies that can enhance resident management. You will hear from the actual resident leaders about what are the aspects of resident management that make it more successful, but I am looking today at what I have called four threats—four threats to resident management, and that is the activity where residents are taking control over their environment, their destiny and creating self-sufficiency for themselves in public housing.

The first threat that I have identified is the threat of PHA control of public housing funds. As you know, public housing funds go from HUD to housing authorities and from housing authorities to the resident management corporations. There are two circumstances where the housing authority as an intermediary for the resident management group in terms of receiving the funds can be problematic. The first is in terms of receipt of operating funds, the day-to-day operating funds that are used to fund public housing. In our circumstance in Philadelphia when we were negotiating the management contract for Abbottsford Homes Tenant Management Corp. to take over management, the housing authority desired to get a significant administrative fee, administrative fee which was essentially for the overhead of the housing authority. Initially the housing authority said that the administrative fee should be \$700,000 a year and they did not provide us a detailed breakdown of any services that would be provided for that \$700,000 each year.

After 7 months of negotiation, the housing authority ultimately did break down the fee and after they provided the details, the fee came down to \$291,000, a tremendous reduction from the initial \$700,000.

Even the \$291,000 which is paid each year to the housing authority from the Abbotsford budget, the services for those funds we consider to be fairly minimal. In certain cities, I think it would be very beneficial if the public housing funds, operating funds, could go directly to the resident management corporations. Then the resident management corporations would have the choice of getting administrative assistance from the housing authority or getting administrative assistance from some other private management or other management companies, or they may not need significant administrative assistance and then would be able to save the administrative fee and use the administrative money that goes to the housing authority on services for the residents and to manage the site directly.

The other area where there is an issue with respect to the housing authority receiving the money first and the resident management corporation receiving it second is in modernization, the major renovation areas. In our circumstance where you have a troubled housing authority, the management of modernization funds may not be as efficient as it is in other housing authorities, which are high performing and standard housing authorities.

Projects which have been initiated by resident management groups such as a laundromat in our situation, or to create a grocery store with modernization funds, those projects can take a long, long time if the manager of that money is a housing authority that does not have a strong record in managing renovation efforts. And so that is another area where if the resident management corporation could receive the funds directly from HUD, modernization funds directly from HUD, they might be in a better position to manage those funds to move their developments further along with the initiatives that they have than they might with the housing authority. Or again, they might make the choice to choose the housing authority to administer those funds, but it would be a choice.

The second threat is the vouchering out of public housing, the vouchering out and demolition. This is a threat that could be grave for certain resident management sites where they may be targets of vouchering and demolition.

In April of this year, Congress and the President passed legislation that said in sites where there were 300 units of public housing or more and where the housing is so-called distressed, with high crime and other factors, and also where the modernization, the renovation effort is not on schedule, these sites would be looked at for demolition, demolition and then residents would get section 8 vouchers.

Now there are a number of resident managed sites that are large sites where the housing authority has been responsible for the modernization and modernization is not on schedule but the resident groups are making significant efforts to turn these sites around. I believe that those sites should not be demolished and that Congress should say in the statute that those sites, the resident management sites, should be exempt, that they should not be

demolished under this formula of whether renovation is cheaper or section 8 vouchers are cheaper, that the resident initiative should be maintained to give them a chance to succeed.

Part of the proposal for the——

Mr. SHAYS. Move the mic back a little bit. I am sorry to be so fussy but we are getting a little——

Mr. HAYWOOD. No problem. Is this better or worse?

Mr. SHAYS. It is better. We can hear you but we are getting an echo.

Mr. HAYWOOD. OK. I came closer because you mentioned a concern.

Mr. SHAYS. You were trying to be cooperative. [Laughter.]

Mr. HAYWOOD. There is a proposal by Congress also that the housing authorities have some choice, choice-based vouchering, so the housing authorities can choose sites for demolition and vouchering. And then again, whether it is 300 units or less, we strongly argue that resident management sites should be exempt, they should not be vouchered out and demolished.

Part of protection of resident management against demolition and making homeownership more possible is that a current requirement that says whenever public housing is demolished, the resident management or the resident organization gets a chance to buy it. But the current law says the resident groups have the first option to buy, but it does not go any further than that, it does not say that the resident group will get operating subsidies to continue to manage, nor does it say that the resident group will get renovation money if there is renovation money in the pipeline to continue or complete renovation of a site. So right now, the resident groups only have an option to buy in the current law without any financial protection to buy. And what I would recommend is that Congress agree that along with this first option to buy, resident organizations also get the operating subsidy so they can manage and therefore maintain housing for very-low-income persons and that they get renovation funds if those renovation funds are in the pipeline so that renovation can be—any ongoing renovation can be completed, because without that money the first option to buy really is not very meaningful.

There are two other threats to resident management. The third I called reduced jobs and job training. In order for resident management to work and create the self-sufficiency that these organizations seek to create for the residents, it is crucial that job training opportunities be available at resident managed sites.

One of the major obstacles to job training opportunities currently is how the Davis-Bacon Act is applied in public housing. Currently, the application of the Davis-Bacon Act requires that there be a highly formalized training program in order for residents to be paid less than the Davis-Bacon rate which might be \$18 or \$20 an hour, depending on the trade.

Many residents need training to have more skills before they can produce work at an efficiency level that would justify being paid \$18, \$20, \$25 an hour. If the Davis-Bacon Act didn't apply at all to resident-managed sites, that would be very helpful because then the wage rates that could be paid to residents would be low enough so that training opportunities could be created. Another option is

to have—currently under the Bureau of—Department of Labor, Bureau of Apprenticeship & Training Programs, a person can be paid less than the Davis-Bacon wage, who is in a highly structured training program approved by the State and Federal Government. If there was more flexibility in the training programs, then a resident group like Abbottsford could hire a contractor and they could require the contractor to hire one resident, that is what we sought to do—each contractor doing plumbing work, hire one resident if you are going to do work at Abbottsford Homes. That contractor would be able to hire a resident and that resident could get some training experience if the wage rate was not so high.

The second aspect of increasing the job training opportunities is with the Federal law that now exists called section 3, section 3 of the Housing and Community Development Act of 1968. This law should be strengthened. And by strengthened, I mean right now the law says that when any public housing dollars are spent, 20 percent of the new hires in renovation have to be residents, but it can be more—right now HUD has said it must be 20 percent. It could be 40 percent or it could be just to the greatest extent feasible, not having any numerical cap, so there are some circumstances you could have more residents to get job training experiences through section 3.

My final threat, in addition to the threat of reducing jobs and job training because of the way Davis-Bacon applies and the limitations for section 3, the final threat is what I call increased economic hardship for very-low-income persons.

The threat of increased economic hardship, I believe in our experience at Abbottsford Homes comes from increasing likelihood of poverty from the residents who are in the public housing admissions system. Very-low-income persons lose income grants because the AFDC grant goes down or people are cut off after 3 years or 5 years. And health care in Pennsylvania is limited to a smaller and smaller number of low-income persons, as child care grants are decreased, then the persons who are in the public housing admissions system are suffering pressure on their income, pressure against getting health care and pressure on getting child care. It will, in our view, increase the desperation of persons who are suffering from increased income pressure and will take a lower income strata of residents who need to be hired, who need to be served, and the resident management organizations as well as housing authorities will be challenged to manage a greater concentration of lower income persons. So that the national policies to decrease income for low-income persons, I think is a significant threat to resident management.

Thank you very much.

[The prepared statement of Mr. Haywood follows:]

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**SUBCOMMITTEE ON HUMAN RESOURCES AND  
INTER GOVERNMENT RELATIONS, U.S. HOUSE OF REPRESENTATIVES  
HEARING TESTIMONY  
JUNE 3, 1996  
ST. LOUIS, MO.**

**Four Threats to Resident Management of Public Housing**

## **Introduction**

Thank you for inviting me to testify before this House Subcommittee on Human Resources and Intergovernmental Relations ("Committee"). I am a Staff Attorney at Regional Housing Legal Services, Glenside, PA that represents nonprofit organizations that are undertaking community development for lower income Americans in the Philadelphia area. We have represented Abbottsford Homes Tenant Management Corporation ("AHTMC") since February 1989. As you know AHTMC, manages a 700-unit development of public housing in Philadelphia, PA. My comments are made on behalf of AHTMC.

This Committee has requested testimony on obstacles to resident management of public housing. As an attorney for AHTMC I observe that the virtue of resident management is the serious engagement of public housing residents in shaping their own destinies and the destinies of large and small communities. The power of resident management has been diligent and determined effort of residents to improve the life chances of Americans who have long been downtrodden. Resident management is a means for residents to obtain self sufficiency.

## **Four Threats**

Resident management of public housing is achieved and maintained after overcoming significant obstacles. Certain national policies laws make entering into and sustaining resident management more difficult. The threats from national policy to the success of resident management are:

### **1) PHA Control of Public Housing Money.**

Under current law, public housing operating and modernization funds go to public housing authorities (PHAs) from HUD. (For operating subsidies see, 42 USCS § 1437g(a) and for modernization funds see, 42 USCS § 14371(b)). PHAs then provide the funds to resident management corporations (RMCs). As a result of this intermediary position, PHAs may create problems for RMCs.

a For example, when negotiating the initial operating budget for AHTMC's management of Abbottsford Homes in 1990, the Philadelphia Housing Authority required a \$700,000 annual administrative fee. After demanding a detailed breakdown of the fee, the housing authority reduced the charge to \$291,000. The negotiation of the administrative fee provision took approximately seven months. At stake for AHTMC was obtaining sufficient resources to manage the site. Even now after five years of resident management, the housing authority provides minimal services in return for the annual \$291,000.

PHAs charge RMCs fees associated with administering operating subsidies and modernization funds because they receive the funds from HUD. The administrative fees may significantly exceed the value of services provided by the PHA to the RMC. If operating and modernization funds were directly available to a RMC then a RMC could choose PHA administration or not. RMCs would therefore have the option to reduce PHA administrative fees and the savings could be spent on direct operational or development cost.

b. A PHAs' administration of modernization funds may also injure a RMC. RMCs that are in cities with troubled PHAs do not have modernization work done in a timely manner. While a troubled PHA is undertaking modernization resident managed developments have prolonged high vacancy rates and distressed physical conditions. RMC economic development initiatives such as a laundromat or convenience store may be substantially delayed. RMCs with sufficient capacity should obtain modernization funds directly from HUD. The U.S. House has recognized this issue recently and voted to provide modernization funds directly to certain RMCs.

## 2) Vouchering Out and Demolition of Public Housing.

Congress has approved the vouchering out and demolition of certain public housing developments. As a result, residents will be forced to move. The demolition and vouchering of a site under resident management would destroy the self sufficiency initiatives.

a. Public housing provisions enacted on April 26, 1996 require vouchering and demolition of certain large and distressed public housing. See *Conversion of Certain Public Housing to Vouchers*, HB3019, Section 202. Legislation passed by the U.S. House of Representatives on May 9, 1996 permits PHAs to choose sites for vouchering and demolition that are not large or distressed. See *Voluntary Voucher System for Public Housing*, HB2406, Section 263. HUD and PHAs should be prohibited from vouchering out a site that is under resident management.

As you have heard today resident organizations have successfully turned around distressed public housing. Resident efforts to improve a site should be maintained, not eroded. Further, in the event that housing management is privatized RMCs should have a priority to purchase a site ahead of nonprofit or for profit organizations.

b. Congress has given resident organizations the first option to purchase a public housing site targeted for demolition. See 42 USCS § 1437p (b)(1). However, the law does not ensure

purchase by a resident organization because a RMC also needs operating subsidies and renovation funds to manage. Without operating subsidies and renovation funds RMCs cannot afford to provide decent housing to very low income persons. PHAs should be required to give RMCs operating and modernization funds when resident organizations purchase public housing.

### **3) Reduced Jobs and Job Training for Residents.**

Self sufficiency requires job training and jobs. Although HUD has recently ruled that it will disregard certain income earned by residents from job training programs, significant impediments to work remain.

a. RMCs want to provide jobs and job training to residents. However, wage rates required by the Davis Bacon Act and regulations from the U.S. Department of Labor, Bureau of Apprenticeship and Training often make training of public housing residents impracticable. Under these rules unskilled residents must be paid high wages unless a highly formalized training program exist. Without reasonable wage rates, residents cannot obtain training through work experiences that are available in public housing management. For example, contractors doing work for AHTMC cannot afford to hire residents at a rate of \$18 per hour. Also, these contractors do not have highly structured training programs. The application of the Davis Bacon Act should be modified to encourage resident training and employment. Public housing residents in training programs should receive wages that are less than those required under current rules.

b. The U. S. House of Representatives recently approved the deregulation of 300 housing authorities. See HB2406, Section 513, May 9, 1996. Currently federal law requires all housing authorities to provide jobs and job training to public housing residents. Section 3 of the Housing and Community Development Act of 1968, as amended in 1992, requires that to the greatest extent feasible, jobs, training and contracts be given to residents when public housing funds are spent. Jobs have been created for residents in public housing pursuant to Section 3 in construction and maintenance. These jobs pay more than minimum wage and have helped residents get off public assistance. Will the proposed deregulation of public housing end the application of resident employment requirements contained in Section 3? Will residents lose another opportunity for jobs and job training? Section 3 should apply to deregulated PHAs.

c. In addition, residents face a severe lack of job training programs. Project based funding permits RMCs to sponsor site-based job training. Demolition and vouchers will force residents to seek job training in environments that are not focused on public housing residents. Project based operating subsidies support self sufficiency because RMCs hire residents on staff and provide job training. Residents who see resident leadership are often encouraged to become more independent. Therefore, project based assistance should be maintained because it supports self sufficiency efforts.

### **4) Increased Economic Hardship for Very Low Income Americans**

National policy discussions indicate that several paths out of poverty will be eliminated. Income grants and health care to the poor may be cut, child care assistance will be inadequate and affirmative action will end. As a result, residents will have less income and greater government subsidies will be demanded to house very low income persons. RMCs will find financial viability, management and achieving self sufficiency much more difficult.

Although I am not an expert on human behavior, it is highly predictable that for very low income persons reduced income support, child care, and health care in cities and towns with inferior schools and decreasing demand for low skilled workers will lead to more poverty and desperation. For RMCs, these consequences must be managed. National policies to create real economic opportunity for poor people in America such as discussed above are required.

## Conclusion

Resident management corporations have succeeded and can continue to succeed. The change of certain national policies and the provision of reasonable protections will increase their success and the self sufficiency of public housing residents.

Mr. SHAYS. Thank you. I appreciate both of your testimony and at this time we will have Claire Freeman come up. Ms. Freeman, if you would remain standing, we need to swear you in, you missed that time.

[Witness sworn.]

Mr. SHAYS. For the record, she responded in the affirmative and we welcome your testimony, nice to have you here.

Ms. FREEMAN. Thank you very much. Good morning, Congresspersons. It is my pleasure to be here.

Mr. SHAYS. Nice to have you.

Ms. FREEMAN. As you know, I am the chief executive officer of the Cuyahoga Metropolitan Housing Authority.

Mr. SHAYS. I just did not know how to pronounce that name, that is why I did not give you that credit. It is Cuyahoga?

Ms. FREEMAN. Cuyahoga, it is a good Indian name.

Mr. SHAYS. OK, thank you.

Ms. FREEMAN. We are in the—we cover the greater metropolitan area of Cleveland.

I understand that this hearing is primarily interested in determining the effectiveness and impact of HUD's technical assistance grants and resident management initiative programs. Although these programs have been designed to encourage the independence and empowerment of resident groups, I think that we are doing the residents of public housing a great disservice if we think that the resident initiative programs must be independent of public housing authorities to be effective.

Public housing authorities, however, like the resident organizations, must be trained, persuaded or cajoled to have resident self-sufficiency and resident personal transformation as a major priority of their mission statement.

Given that there have been so few success stories in our resident management over the past 15 years, it should be apparent that the resident management success requires an exceptional set of circumstances to work. I have discussed our failed attempts at our resident management in my written testimony which I will try to briefly summarize, but first I want to tell you about one of the many success stories about how we have experienced true resident empowerment and transformation in the Cleveland area.

Through our resident management experiences, we have found that the residents involved in resident management groups were mostly interested in seeking training, career opportunities in management, rather than having the full responsibility for managing their properties. They simply wanted to have respect, input and appreciation for their already ongoing contribution to the quality of their lives and the environment of their neighborhood.

As an alternative to resident management, we have found that a much more effective approach has been to hire residents as management aides and train them in property management from A to Z within the housing authority structure; whereas external management corporations and public housing authorities often find themselves to be in an adversarial position. We have found this to be a win-win situation for both the resident and the housing authority. The resident gets not just a job but a career and the housing authority gains their energy commitment and knowledge.

It is my goal and the goal of CMHA to catapult residents from a dependent lifestyle to an empowered self-actualized lifestyle and to focus on self-sufficiency through a variety of programs. We have designed our programs to enable residents to overcome educational deficiencies, personal issues like drug or alcohol addiction and other barriers such as transportation and child care needs.

I would like to talk first about a major win-win for the housing authority and the residents called the Renaissance Village. Renaissance Village is 90 units at what used to be known as Dodge City in Cleveland. The King Kennedy development was notorious across the Nation. Just before I arrived at CMHA in 1990, a minister had been killed there by the drug guys. They turned him upside down and banged his head against the cement. There were shootings every night, there were all kinds of illegal activity going on and I like to say that the people who designed and built King Kennedy should all be in jail. It was criminally poorly designed and poorly built. They were large units, four and five bedrooms, which is a great need in Cleveland, but you can literally put your hand through one kitchen and into the next kitchen. The exterior design was such that you walk in the three-story walkup stairwell and you could run straight through to the back. So if the police were chasing a bad guy, they could escape by just running in the front entrance and out the back. The hallways were owned by the outside entities.

We have totally redesigned the physical nature of King Kennedy with a defensible space architectural framework, and that is basically that every front door will be owned by that resident and that those three-story walkups with a central hallway now have become three-story townhouses, exact same number of units, exact same buildings but they look totally different and every resident has their own front porch and they have an extreme improved quality of life.

The residents of the Renaissance Village, before they moved into their newly renovated units, went through a very specialized training program. We call it the Good Neighbor training program. And basically it is a bonding exercise so that they get to know their neighbors before they move in, they are trained in life skills, they are trained in mediation—conflict mediation. They are trained in preventive maintenance and they are training in how to get along with each other and to have a sense of community.

At the end of this training, the residents were truly bonded as a neighborhood and as evidence of that, you will see at the back of the formal testimony a covenant to their lease that they wrote. We, the housing authority, had nothing to do with this. They were so empowered that they developed a covenant to their lease that says we declare this to be a sober living environment. If you are going to live here, you agree to live here, then all of the residents here agree that we will not abuse—we will not have any alcohol or any illegal drugs on these premises and that we will train our families and all visitors of the rules of this community and if you violate the rules of this community, then you have to live elsewhere at CMHA, you cannot live here.

The residents have organized their own business entrepreneurial programs where they will be running a food co-op, a deli, and the

janitorial services. We had one high rise at the King Kennedy site that was declared nonviable. They did not want it torn down so we have turned that high rise into a social service mall, a business center for the one-stop social services and there are 46 social services now being provided out of that building, the grand opening is this Friday.

So the residents of Renaissance Village own their neighborhoods. The crime has gone down to zero. In the last 3 years, they have had little or no crime in the Renaissance Village community and we respect their efforts and they are ongoing.

But let us just talk about how we got to where things are now and why they are working, why we are so proud of the resident programs. We have a countywide resident-run organization and we have worked with them to revamp their election procedures so that a democratic process is assured and that there is an opportunity for all residents to have leadership opportunities. What we have found traditionally in the past resident management organizations is that one or two people will get to the leadership position and they will be there forever.

Our experience was that management was often through intimidation, outright threats and not so good programs. One of our resident leaders was called Mama Doc and that says it all. And the residents of that particular development came to me time and time and time again to ask us to do something about it and finally after about 5 years we were able to.

So we have worked with them so that they could revamp their election procedures to ensure a democratic and fair election. We have also asked them to require that all elected officials of the resident organizations be bondable; that is, that there is a serious record check, a criminal record check, and that they be required to have fiduciary bonding. I think it is absolutely inappropriate and mean spirited to put a lot of money on the table in front of very poor people and then turn your back, or not require that those poor people who get control of that money are in fact the right people, that they have a history of honesty and that they have been well-trained in their fiduciary responsibilities.

We believe everything we do at CMHA has to reflect economic self-sufficiency goals. Our goal of physical redevelopment of our properties will not be met if in fact the residents are not given the opportunity to redevelop themselves.

So in closing I would just like to summarize a few things. No. 1, resident empowerment works. The Tenant Opportunity Program is a very good program for residents to set their own priorities, their own training needs and then to go after their needs. We have 25 TOP grants now and those grants are being used to train the residents in entrepreneurial expertise, to learn how to run a business and keep it going, deal with the IRS, et cetera. They are also learning how to personally deal with their own life situation so that they can be a better parent, be a better grandparent, and I would say generally that resident focus programs are very much needed in any public housing effort but they have to be well-managed and they have to—the public housing authority and the resident organization should at all times work together and that what-

ever problems that there may be, whatever contention, must be worked out prior to the program getting off the ground.

Thank you.

[The prepared statement of Ms. Freeman follows:]

## **The Resident Empowerment Experience in Cleveland, Ohio**

Over the last few years, the Cuyahoga Metropolitan Housing Authority (CMHA) in Cleveland, Ohio has undertaken a variety of resident initiative programs. As in any endeavor which attempts to change peoples' behavior and lives, the results show that some of these programs have been successful, and some have not. Based upon our holistic approach to managing public housing, I believe that we are at the forefront of resident empowerment in the nation. At CMHA, we have adopted a customer service approach where every employee understands that the residents are our customers. We listen to our residents and have achieved a high level of resident participation.

The best way for me to contrast for you what has worked with what has not is to tell you the tale of two estates. The first is Lakeview Terrace, a failed attempt at resident management. The second is Renaissance Village, a successful transformation of our worst public housing estate into a model public housing development that has gained national attention.

### Resident Management at Lakeview Terrace

In 1985, Lakeview Terrace became one of the first public housing developments in the country to be operated by residents. A group of residents at Lakeview Terrace discouraged by the overall condition of their estate and encouraged by HUD's new resident management initiative enlisted Bertha Gilkey of St. Louis to help them form the Lakeview Terrace Resident Management Firm (LTRMF) and negotiate a contract with CMHA to operate Lakeview.

Lakeview Terrace is a 600 unit public housing development built in 1937 terraced on a bluff that overlooks Lake Erie on the west side of the Cuyahoga River and downtown Cleveland, and also includes a 200 unit highrise built in 1973. At the beginning, Lakeview residents seemed to overcome their feeling of hopelessness as the LTRMF made some initial improvements in maintenance, landscaping and rent collection that alleviated some of the deteriorating conditions.

However, by 1987, LTRMF began to have management and financial problems, as then CMHA Executive Director George James had initially expressed in his concern that the LTRMF staff were "not knowledgeable about management." Several members of the

firm's governing board, including one of the founders Bertha Gilkey, quit over a dispute with President Lena Jackson about flagrant violations of policies and procedures.

In 1989, a CMHA audit turned up 82 findings of financial improprieties, ledgers so incomplete they could not be audited, and apparent conflicts of interest in awarding service contracts. In 1991, the HUD Inspector General (IG) examined the activities of LTRMF and identified problems of inadequate tenant management operations, and ineffective maintenance and personnel management. As a result, Lakeview was placed under dual management status.

In July 1992, Quadel Consulting Corp. was chosen to take over management operations and train the resident managers. After two years, management was turned over to Quadel when they reported LTRMF was still not capable of managing itself. By the end of 1994, CMHA assumed complete management control of Lakeview.

### **What were the lessons that we learned from this experience?**

**The resident management experience must be democratic.** LTRMF was dominated by a single person, who for several years held both Board President and Executive Director positions, and a small core group of followers who ran Lakeview through intimidation by threatening to evict those who challenged her, and by resisting any oversight by CMHA. Many residents need to be kept involved in the management process, and the opportunity for new leadership must be assured through a fair election process.

**Resident management leaders must be subject to bonding for fiduciary and insurance purposes and a thorough multi-state criminal background check should be required.** A criminal background check of the LTRMF leader Lena Jackson revealed two felony convictions for theft (stealing welfare checks and receiving \$3000 in AFDC while working). HUD and City officials chose to overlook this at the time of her appointment. Her eventual downfall however, was a result of her financial improprieties, and eventually she was banned from participating in any HUD program for one year.

Another example involves a manager hired by LTRMF who was charged and convicted of raping a woman in a Lakeview unit. LTRMF hired him with full knowledge of his past actions (previous conviction for rape) and ongoing proclivities.

**There has to be responsible oversight from the PHA and HUD.** HUD prevented oversight by our PHA until the residents of Lakeview declared a crisis. Prior to my

administration, problems at Lakeview were allowed to persist because CMHA and HUD officials were reluctant to be accused of interfering with the tenants' attempt at management. Local HUD officials admitted there was pressure from Washington to make LTRMF work regardless of clear signs of trouble. It was not until the current HUD administration that we were able to exercise proper oversight, but by then it was too late.

I have always felt that it is unfair and tantamount to entrapment to give large sums of money to very poor people without checks and balances and before the fact correction measures.

**There must be training.** During my tenure, HUD and CMHA have made several attempts to train the tenants in basic housing management, and more importantly, the federal financial and procurement management requirements.

We have had experience with three other resident management groups, and none of them have been successful. Lakeview has completely folded and the other three have united with the TAO. It is the opinion of those who have worked closely with the residents participating in these resident management groups that they were more interested in seeking jobs in management than they were in assuming the full responsibility for managing their properties.

As an alternative to resident management, we have created management aide positions, where we hire residents and train them to be property managers.

In spite of our resident management experiences, resident empowerment is very much alive in Cleveland.

### Resident Empowerment at Renaissance Village

More important than changing the dreadful physical aspects at our King Kennedy estate was the changing of the lives of the people who lived there. Although we completely changed the physical characteristics of the estate by incorporating defensible space as part of the architectural redesign, the key to personal transformation was resident training and empowerment.

Before the completion of the first 90 renovated units at King Kennedy, the future residents were chosen and attended classes where they learned housekeeping and preventive maintenance. These classes fostered the creation of an emotional sense of

community which was later intensified when the residents saw the newly modernized units into which they would be moving. The residents, themselves, at this point asserted their authority and sense of responsibility for their new homes by writing and adopting a **sober living covenant** (attached) which prohibits illegal drugs and alcohol on the grounds as an addendum to the lease. The residents chose to name their community Renaissance Village after the bonding that occurred following the good neighbor training.

The housing authority has worked with many of our community partners to provide a variety of holistic support services for all ages, including but not limited to:

1. Job training and apprenticeships.
2. Community service volunteer opportunities.
3. Youth activities through the Police Activities League and the Boys and Girls Club, and
4. Family intervention and primary health care services have all provided opportunities for residents to make better informed choices.

In addition, CMHA instituted better management practices, including:

1. Customer service approach - the resident is our customer
2. Tougher screening - our residents want "better neighbors"
3. Lease enforcement - "One strike and you're out" concept - we evicted residents if they were arrested for drug or serious violent crime offenses, and we worked with mothers to effectively deal with incorrigible and delinquent youth
4. Monthly unit inspections
5. Bi-annual customer satisfaction survey

The physical design, the community solidarity, the sober living environment and the acquisition of new skills have all contributed to the transformation of the old "Dodge City" into a crime free neighborhood for nearly three years. The change in resident behavior is exemplified by the enforcement of littering prohibitions, youth now refuse to walk on the grass, and residents work together with police to keep crime out through programs like Block Watch, Neighbors United for Safe Youth (NUSY), and Mothers Against Crimes against Kids (MACK).

#### Summary of Resident Empowerment Activities

1) The resident election process has been restructured to assure a democratic process and opportunity for all residents to have leadership opportunities.

2) Of our five appointed Board of Commissioners, two of them are residents who bring valuable input and reality to CMHA's policy making process.

3) At CMHA, there is a high level of resident participation. Residents are active in all phases of programming. Our estate based approach has expanded the number of residents involved and the level of their participation.

Through the Progressive Action Council (PAC), the officially recognized representative body of CMHA residents, the residents have input into Board Meetings, the Comprehensive Grant Program (CGP) and Public Housing Drug Elimination Program (PHDEP) grants planning and implementation. The PAC also provides a monitoring function of CMHA maintenance activities and complaints.

4) The Local Advisory Councils (LACs), the resident representative body at each one of our estates, play an important role in the CGP process by reviewing and approving changes to the CGP schedule.

5) CMHA is providing homeownership opportunities for residents through our Turnkey III program, where we have sold 289 out of a total of 385 homes. We have also initiated an affordable housing and HUD 203k program to increase homeownership opportunities for CMHA residents, employees and the general community. In contrast to the old HUD HOPE programs, we believe that residents should have enough income to be able to buy single family homes where they choose to be, rather than be burdened with a share of difficult multi-family projects in areas of little or no resale value.

6) CMHA has encouraged and supported resident groups in their efforts to pursue funds from the HUD Tenant Opportunities Program (TOP), and the formation of the Technical Assistance Organization (TAO).

7) CMHA fosters resident employment through hiring residents as management aides, enforcing resident hiring goals on construction contracts, and through innovative programs such as Do The Right Thing, a work initiative program for CMHA high school youth. Through our Youth Enhancement Service (YES) program, residents are given training to be certified home day care providers and foster moms. Also, our Youth Apprenticeship Program (YAP) assists CMHA residents to obtain full-time, meaningful employment in construction industry.

8) CMHA has 46 HOPE VI social service partners that provide a variety of services to our residents where they live. I am especially proud of our three primary health care

clinics and Miracle Village, an on-site drug treatment facility for mothers and their children.

### Conclusion

CMHA has instituted a number of authority-wide programs that encourage self-sufficiency and economic empowerment, and are designed to provide CMHA residents with the opportunity to overcome educational deficiencies and other obstacles, such as transportation and child care needs, which may be barriers to success. Although it can be a slow and sometimes frustrating process, we know that these programs empower our residents and will move them to self-sufficiency.

We applaud and encourage more HUD programs like the HOPE VI program, which have allowed housing authorities to take a more holistic approach to rebuilding communities and families, and the Tenant Opportunity Program (TOP) which allows resident groups to establish their own priorities for achieving self sufficiency goals.

The previous HUD administration's focus on resident management and homeownership might have been well intentioned, but the programs to implement them ended up doing little for residents that were not already empowered. By changing the goal of resident empowerment to include business development, education, job training, and social services, the current HUD administration has adopted an approach that will truly empower the residents of public housing.

## RENAISSANCE VILLAGE COVENANT



**E, THE RESIDENTS OF RENAISSANCE VILLAGE DESIRING TO LIVE IN A SECURE, WHOLESOME AND DRUG-FREE COMMUNITY, ENTER THIS COVENANT WITH ONE ANOTHER, AS DECLARATION OF OUR COMMITMENT TO BUILDING A STRONG VIABLE COMMUNITY FOR OURSELVES.**

WE COMMIT, THEREFORE, TO WORK TOGETHER IN BROTHERHOOD AND SISTERHOOD TO STRIVE FOR THE ADVANCEMENT AND UPLIFTING OF THIS COMMUNITY; BY ACQUIRING KNOWLEDGE, UNDERSTANDING AND SKILLS TO PROMOTE ITS PROSPERITY AND SECURITY; TO OBEY ITS RULES, ORDINANCES AND REGULATIONS; AND TO CONTRIBUTE FAITHFULLY AND REGULARLY TO THE SUPPORT OF THIS COMMUNITY.

WE ALSO COMMIT TO MAINTAINING FAMILY, TO EDUCATING OURSELVES AND OUR CHILDREN; TO BEING HONEST AND TRUSTFUL IN OUR RELATIONS WITH ONE ANOTHER; TO AVOIDING NEGATIVE BEHAVIORS AND ATTITUDES; TO ABSTAINING FROM THE SALE, USE, MISUSE AND ABUSE OF ALCOHOLIC BEVERAGES; TO ABSTAINING FROM THE SALE AND USE OF ALL ILLEGAL DRUGS; AND TO BEING ZEALOUS IN OUR COMMITMENT TO ADVANCING ACADEMIC EXCELLENCE, ENSURING A SAFE, SECURE, AND DRUG-FREE COMMUNITY FOR ONE ANOTHER.

WE FURTHER COMMIT TO WATCH OVER ONE ANOTHER; TO BE MINDFUL OF ONE ANOTHER IN OUR PRAYERS; TO ASSIST ONE ANOTHER IN TIMES OF NEED TO RESPECT AND HOLD ONE ANOTHER IN THE HIGHEST ESTEEM AS EVIDENCE BY OUR COURTESY IN SPEECH, OUR SLOWNESS TO ANGER, OUR READINESS OR CONCILIATION AND MEDIATION.

WE MOREOVER COMMIT THAT WE WILL SHARE WITH OUR VISITING FAMILY MEMBERS, FRIENDS AND ACQUAINTANCES THE RULES AND REGULATIONS OF OUR COMMUNITY, AND THAT WE WILL ASK THAT THEY WOULD ABIDE BY THESE RULES AND REGULATIONS WHEN VISITING OUR COMMUNITY.

THIS, OUR COVENANT IS OUR SOLEMNLY AND JOYFULLY COMMITMENT: TO BE LOVING, SHARING AND CREATIVE; TO HAVE PATIENCE, DISCIPLINE, DEVOTION AND COURAGE; TO LIVE AS MODELS AND LEADERS; TO STUDY, LEARN AND TEACH; AND, TO DEMONSTRATE SELF-DETERMINATION, SELF RELIANCE AND PROVIDE NEW HOPE AND DIRECTION FOR OURSELVES, OUR CHILDREN AND THIS COMMUNITY.

Mr. SHAYS. Thank you very much.

This committee has jurisdiction over HUD, the Labor Department, the Education Department, HHS which is Health and Human Services, and the Department of Veterans Affairs. So we have a tremendous jurisdiction for programs. You all have done a wonderful job, I think, of giving us a good overview which we would now like to ask you questions about tenant management and how we can make it work better and so on.

I am going to ask Mr. Towns to start the questioning and then I will be asking some questions.

Mr. TOWNS. Thank you very much, Mr. Chairman.

Let me begin with you, Mr. Boeddeker.

Mr. BOEDDEKER. Boeddeker.

Mr. SHAYS. He is just doing that to make me not feel bad. He knows your name perfectly but—[Laughter.]

Mr. TOWNS. You indicated that housing authorities must give up some of their control. What do you mean by that? You said housing authorities would have to give up some of their control to the resident management programs. What do you mean by having to give up some of their control?

Mr. BOEDDEKER. Well, there are various aspects that the housing authority really needs to look at differently. One of the things that has really been important in St. Louis was giving up their total control over the modernization fundings, working with the residents on deciding what items need to be taken care of, what developments are important, what the needs of the residents are. Rather than coming in and saying this is what we are going to do and this is how we are going to do it, involving them on a day-to-day basis on how best they can serve their residents. That is a big key on where the moneys are going to be spent, whether it is on modernization, the drug elimination programs, even the TOP programs, some of those. Just working with them, not thinking that they have all the power to decide and are all-knowing, but involving the residents.

Mr. TOWNS. On that note, what would your feeling be—and I am not going to push you if you say no comment, I really am not going to push you this morning. I have a reputation for doing that sometimes, but I am not going to do that—

Mr. SHAYS. I was just going to say if you believe that—[Laughter.]

Mr. TOWNS. I am in St. Louis and I am not going to do that.

Mr. BOEDDEKER. OK.

Mr. TOWNS. What would your views be that if HUD funded the tenant management group and the housing authority was left out of it, what would your views be?

Mr. BOEDDEKER. Depending on what type of funding you are talking about.

Mr. TOWNS. Well, let us say TOP funding, let us pick one.

Mr. BOEDDEKER. TOP funding. I would have no problem with that personally. The funding basically goes directly to the resident management group now, the grant is with the resident management group. They virtually have pretty much control, they work with the housing authority on their activities and things, but basically the residents can basically decide where it is going to go.

Other areas, for instance——

Mr. TOWNS. What about the timetable because that sometimes is a problem with resident groups, being that the money does not flow directly to them, sometimes in order to do things in a timely fashion, they are not able to do so because the housing authority has a role in that process.

Mr. BOEDDEKER. Well with the TOP grant, the money flows directly to the resident management group. The resident management grants, the TAG grants, that is a direct grant that they can use through our—I believe it is——

Mr. TOWNS. Let me ask you, with the changes that HUD just made, will it still go directly to the group? Because HUD just made some changes on that.

Mr. BOEDDEKER. As far as I know. I am not familiar with any new changes that have occurred.

Mr. SHAYS. Would the gentleman yield a second?

Mr. TOWNS. I will yield to the chairman.

Mr. SHAYS. The real issue would be, I think, not just the TOP grants, following the question, but just the operating subsidies. How would you feel if the operating subsidies went directly to the tenant management organizations?

Mr. BOEDDEKER. Currently in St. Louis with Cochran and Carr Square, it is set up with their contract that the majority of the moneys go directly—through the housing authority, but it is a direct passthrough to the resident management corporations and I believe it has worked fairly well. With proper controls and checks and balances put in there, as Ms. Freeman talked about bonding and those type things, to assure those things are taken care of, I would have no concern over them getting funding and having control over it for the things that they have control over on a day-to-day basis.

Mr. TOWNS. I am going to come to you, Ms. Freeman, what tenant management groups or people that even think about doing this, they complain that the housing authority is the problem that makes it almost impossible for them to meet deadlines and to be able to do things in a timely fashion, and of course if there is a deal out there, that they cannot avail themselves of it because of not knowing exactly when this is going to happen because the housing authority sort of sits there as the big mamma or the big papa and determines what they can do and when they can do it.

Mr. BOEDDEKER. Well, that is one of the things I talked about earlier, that the housing authority sometimes has to let go of some things. But I have not seen that to the great extent that I have heard about it in other parts of the country. The St. Louis Housing Authority has worked, I believe, very well, with the resident management groups generally. There have been some problems. I mean every group when you are coming up and doing things like this, there are going to be problems. We have had to facilitate negotiations, mediate, arbitrate, whatever you might want to call it at times, to decide what was going to happen. But the housing authorities generally have not been a total roadblock here toward resident management. Of course, we have got a history of some 15–16 years where they have been working and going down that path of getting those things changed.

I can understand where it has been some problem in some areas. Some housing authorities have not bought into it. There is a plantation attitude out there that these are our units, these are our residents and we are going to tell them what to do. But other housing authorities have worked very well with the residents and each individual case is different. There has been some controversy about it to say the least.

Mr. TOWNS. Ms. Freeman.

Ms. FREEMAN. Well, you raised a couple of different issues. No. 1, the comprehensive grant program. The instructions from HUD, and we took them serious, were that residents should be involved with every aspect of the comprehensive grant program. So residents are involved with every single aspect of the comprehensive grant program.

Mr. TOWNS. What does that really mean though? Do they say uh-huh or do they participate?

Ms. FREEMAN. Let me tell you what that means. Our residents could sit here and train you on every single detail of the comprehensive grant program. As a matter of fact, they put on trainings twice a year on all aspects of our programs. It is their training and they are training each other. But they know it so well, we have residents sitting on our agencywide comp. grant program, but at every development or estate as we call them, at every estate there is a comprehensive grant priority setting program and it is pretty much—it just happens all the time. There is no thought given to it because it is such an ordinary operating procedure now. The problem is we have a 5-year plan and the residents have been totally involved in developing that plan; however, with the rescissions we have to then go back to the residents and tell them that which you have said you want to do, we will not be able to do, we have to start the process all over again.

So it is very easy for the residents to be intricately involved in every detail, the smallest detail. And the residents also assist us in overseeing the work. If the work is not done the way they want it, if they do not get the kind of carpet they said they wanted, then that carpet comes out and they are involved in getting it straightened out. So, there should be and it is not a difficult thing to involve the residents in every single nuance of the comprehensive grant program.

Now in terms of the resident management program, we had a full-fledged resident management organization, Lakeview Terrace, that was formed in the early 1980's. Ms. Gilkey of St. Louis came out and started—helped us start that program. She later then got off the board because of the Mama Doc attitude of the leadership. The problem—yes, the money was directly sent to the resident management through the housing authority. We did not touch the money, it just went—we were a passthrough.

When there were disallowed costs or improprieties, the housing authority had to take the hit, we are still living audit findings—\$3 million of audit findings from Lakeview Terrace's problems. HUD would not let us go in and fix it, but on the other hand, they make us eat the \$3 million. They have not forgiven that \$3 million at Lakeview. We are still sitting with that as a deficit on our books. So either you are going to not blame us for the problems after the

fact, or let us get in there and work to make sure that those problems do not happen in the first place. You cannot have your cake and eat it too. And I had this very same conversation 6 years ago when I first went to the housing authority with my former boss Jack Kemp when he was saying do not touch them, do not get involved, it is their money, leave them alone. We did just that, we left them alone, we just gave them the money, we provide training when asked. They would ignore our training but yet when the \$3 million illegally spent money happens, we get blamed for it and we are still living that. So you cannot have your cake and eat it too.

Mr. TOWNS. And I agree with that, but let me tell you what my problem is and what I am trying to think this thing through and hopefully you can be helpful. And, Mr. Chairman, I appreciate you allowing me to continue.

Mr. SHAYS. No, go ahead.

Mr. TOWNS. You know, there is always going to be an isolated situation that will occur. And you will hear about that everywhere you go. The success stories will have difficulty getting out of the room. Nobody will talk about them and of course how money will be saved—I mean, that will not be talked about too much. So the point I am trying to make is that recognizing and knowing that once that happens, HUD's attitude, the housing authority's attitude, whatever attitude is going to change and of course it makes it even more difficult then for the tenant management group to be successful.

So what I am saying is how do we some way or another get a balance here, you know, sure, many times you have—how many housing authorities, I think there are 3,000 and some—you know, you can always have some problems here and some problems there and somebody is going to do something. That is the reason why democracy—that is what it is all about. Where you have an election and somebody that really might not be the kind of person that you want will get elected, but that is part of democracy.

I am just trying to figure out how do we get a balance here to be able to have successful programs that we can sort of talk about and feel good about and people will be able to live and the quality of life will be better. I listened to something that Mr. Haywood said and of course this whole economic development piece should be connected to it. I do not know how we do this. I want to know, I am in the Congress and we are called upon to make laws and we want your advice in terms of what we should do here.

Ms. FREEMAN. Well, I think that there are many success stories and hopefully those success stories are getting out. I know that across the country most housing authorities, if they are well run have very good economic development, job training programs, substance abuse programs so that people can turn their lives around and then get into a career development field like housing management. We train mothers in day care, in foster care, so that they actually have something to carry them once they leave public housing. We do not believe in just creating jobs for, you know, 1 or 2 months or even 1 year, but to allow the person to be trained so that there is a career path. That is going on in public housing all across the country and I know of resident management programs that work and work very well—Chicago, LeClaire Court, very well run.

They have been doing it for years and they have it down to a fine science. Here in St. Louis, very well run. I am sure they have had their problems when they first started out, but they have matured over time and they are doing very well. Some places it works well and other places, it is just not set up for that.

Mr. TOWNS. Why do you think that is happening? That is the point I am trying to put my finger on. Why is that, why is it not working in more places?

Ms. FREEMAN. It is charismatic leadership in many cases, you have just good fine people running those programs and through their own leadership will, they have made it work. If you do not have strong leadership, strong sensitive, rational, compassionate leadership on the part of the housing authority as well as the resident group; if you have either side that is irrational and intransigent, you are going to have problems. But when both groups can work together like mature people, then it should always work.

But in Cleveland, what we had to do is sit down with the residents, the countywide resident group and literally teach them how to set up their election procedures so that it would be a fair thing, and to bring in the League of Women Voters to oversee their election so that there would never be a question that somebody cheated. We also assisted them in bringing in Deloitte & Touche to oversee their elections, and to put election guidelines in place so that there could never be a thought that somehow someone won illegally and that there would be contention and ill will following that.

So I think if there is a fairness and if there is a commitment to letting all of the residents who care to aspire to leadership have an opportunity to do that. That is often not the case, often one or two people get the opportunity and they hold onto it forever. I think that the notion of a resident empowerment or leadership should be mandatory—it should be mandatory that it's the plural, not resident, the individual, but resident meaning all of the residents if they care to, should have an opportunity to lead. And I think if that happens, you will always have success.

Mr. TOWNS. Let me throw this out and then I am going to turn around and question. Rather than the housing authority being involved in all this training, why do we not get a university?

Ms. FREEMAN. We do, that is exactly what we do.

Mr. TOWNS. The housing authority should be out of it.

Ms. FREEMAN. We are not in it, we are not in it. We have the Urban League, we—

Mr. TOWNS. Who pays for the training?

Ms. FREEMAN. We pay for some training through our HOPE-6, JTPA pays for other training, the city of Cleveland does the entrepreneurial training, the labor unions, the carpenters do training, the painters do training. So we are the catalyst for bringing the training in, but we are not trainers. So basically we contract out, if we have the funds, like our HOPE-6 funds, then we will fund the Urban League. We are funding the Urban League some \$500,000 to provide assessment, job training, supportive services.

So, no, our housing authority does not do the training, we though do the overarching plan for the training in concert with the residents. What kind of training do we need? That is a total housing authority plan. And when I say housing authority, I am not talking

about management, I am talking about the residents and the housing authority working together to do a needs assessment and a social action plan and then contract with those local providers who do that kind of training.

Mr. TOWNS. Last question. Let me—and I guess I will start with you, Mr. Haywood—let us switch roles. You now are a Member of Congress. What should be done?

Mr. HAYWOOD. OK, I think that the first thing is that legislation should be enacted to permit residents—

Mr. SHAYS. Can I contend that he is just a Republican? [Laughter.]

Mr. TOWNS. No, he is a liberal Democrat. [Laughter.]

Go ahead.

Mr. HAYWOOD. I think the first thing is to permit resident management organizations to receive operating subsidies and modernization funds directly from HUD.

The next thing that needs to be done is to prohibit vouchering out of housing sites that are managed by resident organizations, forced vouchering or choice vouchering unless the resident organization wants it.

The next is to require that when resident organizations seek to purchase a public housing site, that the resident organization receive the operating subsidies connected with continued operation of the site for low income persons as well as any modernization funds that are in the pipeline that have been allocated for the continued or completion of renovation.

The next item I say as a Member of Congress, I would want to modify the Davis-Bacon Act so that the Davis-Bacon—as it is applied to public housing—so that the wage level for training is modified.

Mr. SHAYS. He sounds like a Republican, you must admit.

Mr. HAYWOOD. The next thing I say is that for section 3, in terms of creation of jobs, that the requirement for employing of low-income public housing residents and the requirement for training low-income housing residents, that there be a statement that they are employed to the maximum extent feasible—no 20 percent cap, no 30 percent cap—to the maximum extent feasible. In some areas, it will be 100 percent of the jobs can go to residents, and in some areas it will be 5 percent. But there should not be any kind of cap on the opportunities for residents getting jobs or job training.

The next thing I would say is, I think the legislation to cut public assistance, cut health care and child care for the very low income—I think we should have more assistance for individuals who are trying to move into self-sufficiency, so their health care should be expanded, so that child care should be expanded to create a situation where public housing residents are in a position to work. Not everyone is going to work, there are a number of elderly people in public housing, there are disabled people in public housing, and there are mothers who, I think, legitimately have chosen that they need to raise their children as opposed to going out to work and I think that is a choice that should be supported and not consistently undermined.

So that is my time in Congress and thank you very much. [Laughter.]

Mr. TOWNS. I hope you get re-elected. [Laughter.]

Mr. SHAYS. You all have raised a lot of very interesting questions. First, let me just see if you—Ms. Freeman and Mr. Haywood, if you both would agree that there are four stakeholders and that they are the residents, the housing authority, HUD, and the city, mayor, and council, elected officials.

Ms. FREEMAN. Yes.

Mr. SHAYS. Do you see any other stakeholders?

Ms. FREEMAN. The community—you have included the city as a broad—

Mr. SHAYS. You want to divide up the city for me a bit?

Ms. FREEMAN. Yes. The neighborhood groups that operate in and around the public housing development is a stakeholder in the well-being of that development.

Mr. SHAYS. OK.

Ms. FREEMAN. And they are often well organized and very much involved.

Mr. SHAYS. I agree with that. What is another one?

Ms. FREEMAN. The universities, the schools that are serving the public housing children. If they are not a stakeholder, then the children lose.

Mr. SHAYS. OK. And you would put the housing authority really under the city in one sense; I mean, it is a part of the city, they are appointed by the mayor and so on.

Ms. FREEMAN. We are not a part of the city, we are—the mayor and I meet on a—

Mr. SHAYS. Let me ask you, who appoints you?

Ms. FREEMAN. Who appoints me? My board of commissioners.

Mr. SHAYS. And who appoints the board of commissioners?

Ms. FREEMAN. I have a suburban mayor who appoints one commissioner, the city council president appoints two, the mayor appoints two, and there used to be a county commissioner appointment but the city council president was more powerful at one time and they took it away from us.

Mr. SHAYS. It is just that as you started to answer the question, I began to see you have got HUD being basically Federal, State, and local and you have the housing authority which is really part of the—as I view it—a local community apparatus, and it is interesting how we might divide your stakeholders in terms of an organizational chart.

Ms. FREEMAN. The county would be the other stakeholder because we are a countywide organization.

Mr. HAYWOOD. I would like to mention two others. At least in Philadelphia, the charitable foundation world provides some significant grants to begin training in the resident initiative. And the second is, there are some nonprofit organizations. Some are involved in health services, some of them are involved in social services, some of them are involved in job training. And these nonprofit organizations that are involved—

Mr. SHAYS. You know, if we break down your paradigm, you are making your point, it really—I think of the business community.

Ms. FREEMAN. The business community is very much involved.

Mr. SHAYS. Probably the biggest stakeholder, in one way, could be the business community in this sense, in that I look at my city

of Bridgeport, CT, one city I represent, and when we have been working on a concept of an urban Marshall plan, we have come down to one basic conclusion, we need to get businesses back into cities to pay taxes and create jobs. What you see in a city like Bridgeport is you see this declining property base. Bridgeport is a city of middle-class people with a lot of poor people with a very significantly declining property base. So when they see us create another tax-free—property tax-free facility with all the costs associated with it, they begin to say hey, we may not be able to carry that burden.

Mr. Boeddeker, do you want to get involved in this conversation at all?

Mr. BOEDDEKER. The stakeholders, I agree with the ones that we are talking about here, those are good additions to the list that I submitted.

Mr. SHAYS. Mr. Haywood, you approach your testimony a little different, kind of fresh, you talk about the four threats. And it is interesting, because in some ways the threats could be an advantage or a disadvantage. In other words, you talk about do not reduce jobs and job training for residents. I would put it in a positive, we have got to increase it—we have to increase jobs and we have to increase job training. The real question is, you know, what kind of job training. We spend \$20 billion a year—it is one of the best kept secrets in Washington—we spend \$20 billion a year and most people think that very little of it really benefits—I am not talking just HUD, I am talking all Federal programs. We spent three-quarters of a billion dollars, \$750 million a few years ago just on cosmetology on student loans, where a lot of students did not pay it back because there were no jobs once they got out of the program.

I was just joking in terms of Republican or Democrat Congressmen. We really have some wonderful opportunities to kind of bridge between ideology because I am thinking as you were talking about some of my Republican colleagues. We want State and local communities as opposed to the Federal Government. We did do something which Republicans did not like which, to his credit, President Clinton did. When we passed the Americorps Program, we made it a decentralized, two-thirds State and local. And the challenge is when you do it State and local, you take the chance of having some bad programs because instead of having the safe common denominator, the Federal Government—you do not have excellent programs under a Federal program but you do not have really bad programs, you just kind of have this blob in the middle. Whereas when you have got local communities, sometimes you have got some great initiatives and you have got some real disasters. I am thinking of it in terms of public housing.

The bottom line to my comment to you is that here you all raise—Mr. Boeddeker, I do not know if you are aware of this because you did not really deal with this issue, we have this gigantic issue of democracy versus efficiency versus training. In other words, one of the problems I see with tenant management groups very candidly is you could have someone who is politically savvy, says hey, I want to run for mayor—I do not want to run for mayor, but I want to control millions of dollars and I am going to get control of this tenant organization. I mean, we ended up—tell me if

I am wrong on this issue—we went to this trend of local boards of education in New York City because you had, you know, just a gigantic—you have more people working for the board of education than live in my city of Stamford of 100,000. New York City is an unbelievably large issue.

So then they decentralized to local boards of education and some of the schools have really paid a penalty on that. I mean because you have got political leaders who got in and just sapped dry all the funds.

So, I guess I am asking kind of a generic question of from a Republican-Democrat standpoint, we want to empower people and we want a democratic system to work, a democratic system means that sometimes you are going to end up with bad leaders who got elected and they are going to waste money, steal money, and do a whole host of things you don't want to happen.

So help me sort out that process. I almost feel like it is almost—I may say something offensive, but almost like you are in the Soviet Union learning how to have a democratic system in a local housing authority and learning how to—because you have never been empowered before and now you are being empowered and by the way, here is a few million dollars to spend. Help me sort this out. I want you to start, Mr. Boeddeker, because you have been involved in this kind of issue.

Mr. BOEDDEKER. That is a hard issue to address, quite frankly. I think one of the problems that we run into when we look at these type situations and we decide that there are problems and we immediately run out and stop the programs or we put a lot of controls over them, I think we need to recognize that there are going to be these problems that are going to occur, we have got to keep that in mind.

Mr. SHAYS. So we have got to invent some kind of system that rather than shutting down the program, putting a lot of bureaucracy in it, a team comes in or something happens or somebody takes over for awhile from the democratic system, or something.

Mr. BOEDDEKER. Yes. When these issues come up that there are problems; yes, that somebody can come in, whether it is through Department LDP, which are technical terms that we go in to remove people from the process, or just the fact of bringing in a troubleshooter or another organization to help support the organizations there until they can get new leadership or those type things. I think one of the problems that we run into every time there is a problem, we only ask or we only come to you as Congress when you call us in when there is a problem. And we tell you what the problem was and what we are doing to address it, but nobody ever asks us, from what I have seen over the years of watching C-SPAN, what has been the good parts of the resident management programs and those type things.

Mr. SHAYS. One of the things this raises—and I would like to come to Mr. Haywood on this issue, but one of the things it raises is that both Mr. Towns and I have a staff, I mean I do not keep the books, I do not—I make some of the hiring decisions, but I have a resource of really phenomenally capable people, both in my committee and in my personal office—and I am wondering, in a sense you get an elected person but they are not technically the people

who should be running the programs, you should be getting paid and competent staff. And it might be something for some of the other people who testify afterward to tell me how you deal with you have got the elected person, you know, the tenants, but they are not—are they technically the ones who are doing this work or should they be?

Mr. BOEDDEKER. It depends—yes and no. In the case of some of them here in St. Louis, you have the elected leaders, but they are not salaried individuals, they are not the ones who are the day-to-day managers and doing the work. So there is that separation that is there. But they are involved. I mean, they put their fingerprint or their mark on the direction that the management is going too, because they look toward the elected board for the direction of how they are going to go forward, so that the salaried people are answerable to the elected officials.

Mr. SHAYS. I will come back to you, Ms. Freeman—but Mr. Haywood.

Mr. HAYWOOD. On the question of: Kind of how do you deal with the mistakes or the uneven performance?

Mr. SHAYS. Right.

Mr. HAYWOOD. There is uneven performance of housing authorities as well as resident management organizations. I think we should be real clear about that.

Mr. SHAYS. Yes, yes.

Mr. HAYWOOD. Traditionally, HUD has been responsible for monitoring the housing authorities, saying these are troubled, these are standard—the troubled, let us come in and help the troubled.

Mr. SHAYS. We do not step in soon enough. We have had some on the troubled list that we have not really done anything about.

Mr. HAYWOOD. I understand. But in terms of role—and there may be a more efficient HUD out there that is coming in the future. But in terms of the role question of monitoring, it seems to me that is HUD's role. It is HUD's role to help identify trouble RMC's or troubled housing authorities and it is HUD's role to come in and provide some assistance to them.

And on the other question of: Who is managing these operations? In Philadelphia there have been residents who were managers and now the new manager is a former Philadelphia Housing Authority official. There has been a real effort to have a professional team to manage, the accountings that are being performed by certified public accountants.

Mr. SHAYS. Right.

Mr. HAYWOOD. I have been practicing law for 10 years and these are sort of specialized people providing assistance so that the operation can be managed professionally. And that is key. There is still a significant property management function.

Mr. SHAYS. You raise an interesting point. Ms. Freeman, I am going to get to you, but the point that I am beginning to think of is here we have \$20 billion spent on job training and we have tenants who live in public housing without training. One of the logical things it seems to me is you would train tenants, truly you would train tenants to run these facilities and you would bring in the universities and you would not necessarily—I mean I would like to break down my paradigm but I would think you could almost have

HUD have a school—not necessarily HUD, but maybe—but contract to have people just really almost get a degree.

Mr. HAYWOOD. It is a career, property management can be a career.

Mr. SHAYS. Exactly. So why not train some tenants to be property managers.

Mr. HEYWOOD. The construction industry is a tremendous opportunity for employment for some persons, and I think in terms of directing job training funds, one of the issues in job training funds is how much of it is going to public housing residents, \$20 billion or whatever the number that you state.

Mr. SHAYS. Let me ask you to comment on that, I have one last question and we need to get to our next panel. You need to leave by twelve-ish?

Mr. TOWNS. That is correct.

Mr. SHAYS. OK, so I want to make sure that you get the benefit of some of the other testimony.

Ms. Freeman, do you want to weigh in on this at all?

Ms. FREEMAN. Yes; I do from a couple of different angles.

No. 1, I believe that all training must start with personal transformation training. You can provide critical job skills, but until you deal with the personal issues of that person of why they have not been able to hold a job or, is there a child care problem, is there an alcohol or substance abuse problem, have they had all of the education to actually keep going on in that career. So if you do not provide comprehensive support services and transformation training for those folks before you send them out on the job, they are not going to stay in the job market. So it has to be much more holistic—and I know that word is used a lot these days but instead of just job training per se, you have to kind of like follow that person. Our effort was called the Rising Tide Program with the Urban League, we do not have it, we are in partnership with the Urban League but we consider it to be our program because we are partners. But that is aimed at 14- to 32-year-old fathers and putting them into a job training program after they have figured out what it is that they are good at. And if they are not good at anything right at that particular point in time, they are given complete access to all the educational resources we have.

Additionally, every time we rehab a unit, we make it fiber optic capable so—and we are building distant learning programs, hooking the units into—

Mr. SHAYS. How many units do you have?

Ms. FREEMAN. We have about 12,000 units and we have about—

Mr. SHAYS. And you are literally trying to make them—

Ms. FREEMAN. Yes; we have about 3,500 under major modernization, so we have the opportunity to transform 3,500 units into distant learning capable—

Mr. SHAYS. Sounds like an enlightened housing authority.

Ms. FREEMAN. And Cleveland State University is giving us free Internet and the residents are already attending classes at Cleveland State as observers, just to get used to being on the college campus.

Mr. SHAYS. Let me just bring up one other issue, and that is, there used to be a time when public housing authorities had firemen and policemen there, I mean they literally did. There were a large group of what I would call role models, I mean somebody getting up early in the morning, coming home late at night, working. I do not think anybody succeeds in this world who only works 40 hours a week. I just want to get to this point, and the point I want to say is how can we get a mixture of people in public housing authorities. It may be that if we are able to, we do not have to tear down the 300-plus units—I mean, if you can get tenants involved to save their units. The only reason we are tearing down 300 is we have made a decision that more than 300 the synergies are negative and therefore we have got to tear them down.

Ms. FREEMAN. But that is not true.

Mr. SHAYS. It seems to me tenant empowerment is one way to break through that. But also, some way of having mixed use.

Ms. FREEMAN. Well, let me just share with you—

Mr. SHAYS. I need the answers fairly short on this one. Because I think you have thought about this a little more, I am going to ask you to go last.

Ms. FREEMAN. OK.

Mr. SHAYS. I may be making an assumption, but Mr. Boeddeker.

Mr. BOEDDEKER. Mixed-income developments is something the Department has been promoting over the past few years. I believe it is going to be very important to the future of public housing. We are doing it at Vaughn, we are getting ready to do it up in Kansas City in some of the complexes up there. Getting that role model there, the mixed income, the whole economic strata, having the policeman there, the fireman, hopefully the relaxation of the rules, the change of the rules that require us no longer—we are not required any more to only house the poorest of the poor, that you can have those mixed developments really is important.

Mr. SHAYS. Is there any housing authority around the country that may have totally free housing for policemen?

Ms. FREEMAN. Yes; we do.

Mr. SHAYS. I am going to have you explain it. Mr. Haywood.

Mr. HAYWOOD. I am really not prepared to talk much about mixed income. I think from representing—

Mr. SHAYS. Were you the one who brought up the 300-unit issue?

Mr. HAYWOOD. Yes.

Mr. SHAYS. You are the one that triggered in my own mind, because I happen to disagree and agree. And where you want to say—you basically have taken the view that they can hear you and start to empower tenants and particularly start to empower them in the larger facilities and then you start to tear them down.

Mr. HAYWOOD. Yes.

Mr. SHAYS. And you know, like we are doing this—and I happen to—I find that interesting.

Mr. HAYWOOD. Yes. In my view, that is a clear mistake.

Mr. SHAYS. But it just cannot be tenant management alone that is going to make a 300-unit better, it has got to be a whole host of other things, you know, some creative ideas.

Mr. HAYWOOD. I think that is right, but if you are looking at the question of how the individuals become more self-sufficient and you

look at the question are they going to be more self-sufficient if I give them a voucher to live in some neighborhood or are they going to be more self-sufficient if they receive some services from an organized group of people who are trying to organize job training, health care, and child care. And I think the clear answer is that most individuals are going to benefit more from a concentrated effort of people who care about them to make them self-sufficient. And so the vouchering out and dispersing people through the neighborhoods does not solve employment, child care, health care, other needs. At Abbottsford Homes, there is a health clinic where residents can get free health care there.

Mr. SHAYS. But you know, we did this in Bridgeport in one site that was 1,200 and we have housing authorities that blend housing units of 30, 60, that blend into the community and the next-door neighbor actually works. And so there is this advantage of not having this gigantic complex that totally is filled with poor people.

Mr. HAYWOOD. I think—yes, I do not have a problem with mixed income. I do not think a role model next door necessarily is going to probably drive them to job training though. So there are limits to what a role model can do for an individual.

Mr. SHAYS. It does get you the dream. I weep mentally and actually sometimes talking to some kids who never appear to have had a dream. I mean, my dad and my mom filled me with dreams all the time.

Mr. HAYWOOD. Right. And resident management can provide dreams. There is a series at our site of movies on great people.

Mr. SHAYS. I get your point. Your bottom-line point is that here we empower tenants and then we tear down the facility.

Mr. HAYWOOD. That is correct.

Mr. SHAYS. I will give you the closing word here.

Ms. FREEMAN. OK. We believe in breaking up those large developments into villages, defensible villages. We actually fence every 90 to 100 units, so every 90 to 100 units is their own little neighborhood within that 1,200. And also, I do not believe—I kind of disagree with my colleague, I believe we should be moving people to home ownership, single-family homes and that if I were in Congress, I would be enabling those low-income and moderate-income working families, low-income, nonworking and low-income working families to be moving into single family homes and providing grants or very low-interest loans for second mortgages to subsidize their moving into their homes. And we are trying to do that in Cleveland and the barrier we see is that they cannot pay more than a neighborhood market rent, and in Cleveland that would be \$450 for a two bedroom, and \$600 for a three bedroom. So we cannot sell a house where the monthly payment would be more than \$650. So Congress needs to help us get those people into that house.

And going back to the mixed income, we closed our waiting list because we did not have enough apartments. We had a 5,000-person waiting list of very poor people. When HUD said you can rent to working poor, we were elated. We opened the waiting list in April 1996, and marketed toward working poor people. From April, a few months ago, to now, we have 8,900 people on the waiting list, working poor people. I agree wholeheartedly that we should elimi-

nate the disincentives for people living in public housing to work because you do need working role models for the children in public housing.

Mr. SHAYS. Mr. Boeddeker, Ms. Freeman and Mr. Haywood, you have really been excellent witnesses and we appreciate your testimony. Is there any one last point you want to make or short comment at all?

Mr. BOEDDEKER. I would like to make one comment. You talked about that HUD needs to go in when there are troubled agencies and troubled RMC's. I think we need a lot more than just HUD going in.

Mr. SHAYS. Right.

Mr. BOEDDEKER. We need the community involved and the residents involved. HUD is not the problem solver in all these things, because if the residents do not buy into it, the housing authority does not buy into it—there have been a number of times when HUD has gone in with audits from the inspector general. If the people do not agree with it, they never implement it.

Mr. SHAYS. I hear you.

Mr. BOEDDEKER. So, it is more than just HUD going in to take care of troubled agencies and troubled RMC's.

Mr. SHAYS. Thank you.

Ms. FREEMAN. I would say to allow housing authorities to set ceiling rents that are neighborhood-based so that we can attract and retain working poor people and then allow them—and then assist them into moving into single family housing.

Mr. HAYWOOD. Finally, I totally agree with the home ownership option and even sites that are managed by public housing resident organizations can go into home ownership cooperative kinds of format so that there can be home ownership even for a site.

Mr. SHAYS. Thank you very much.

Mr. TOWNS. Let me just ask a unanimous-consent request.

Mr. SHAYS. Sure.

Mr. TOWNS. My staff is saying that Ms. Claire has photos of the Dodge City housing and Renaissance Village housing. If that is the case, I would like to ask that they be a part of the record.

Ms. FREEMAN. Sure, we can provide those.

Mr. SHAYS. Thank you. Without objection, it will be so ordered. Thank you very much.

Our next panel is comprised of three witnesses—Bertha Gilkey, president of Cochran Gardens Tenant Management Corp., St. Louis; Dorothy Harrell, Abbottsford Homes Tenant Management Corp., Philadelphia; and Muhammad Akbar, resident manager, Hudson Gardens Resident Management Corp., Poughkeepsie, NY—not too far away from Stamford, CT.

I am going to ask all three of you to stand because we are going to swear you in.

[Witnesses sworn.]

Mr. SHAYS. For the record, note all three witnesses have responded in the affirmative.

It is great to have you all here and thank you for taking the time to come and testify. We will start in the order I called, we will go from my right to my left.

Your full testimony will be on the record and if you want to read it, you can; but you have heard the kind of questions we have asked and we more than welcome you to speak from your heart and not necessarily—I know your testimony is from your heart as well, but you are free to read or to comment and to respond to questions we have already asked. Ms. Gilkey, you may start.

**STATEMENTS OF BERTHA GILKEY, PRESIDENT, COCHRAN TENANT MANAGEMENT CORP., ST. LOUIS, MO; DOROTHY HARRELL, ABBOTTSFORD HOMES TENANT MANAGEMENT CORP., PHILADELPHIA, PA; AND MUHAMMAD AKBAR, RESIDENT MANAGER, HUDSON GARDENS RESIDENT MANAGEMENT CORP., POUGHKEEPSIE, NY**

Ms. GILKEY. Good morning, Congressman Shays.

Mr. SHAYS. Good morning.

Ms. GILKEY. And other congressional representatives—

Mr. SHAYS. Mr. Towns.

Ms. GILKEY. It is good to see you again. Welcome to St. Louis.

Mr. SHAYS. I just do not want him to be another because if he did not come today, we would not have a hearing.

Ms. GILKEY. I appreciate you coming.

Mr. SHAYS. It takes two to tango, two to have a hearing. Excuse me for a second. He will be leaving a little earlier than the process, but if he had not taken the time to come today, we would not have had a hearing, so I really thank you for being here today.

Ms. GILKEY. I really appreciate it and I really hate you have to leave early because we wanted to show you how public housing can, in fact, coexist with private housing without demolition, high rise—

Mr. TOWNS. I want you to know I snuck a visit last night.

Ms. GILKEY. Oh, so you got a chance to see it, that is excellent, that is good.

My name is Bertha Gilkey, I am the president of Cochran Tenant Management. It is indeed a pleasure and opportunity to come before this committee my second, maybe third time, this time to testify on resident management.

And I appreciate, Congressman Shays, you said at the last hearing there would be a followup where resident management groups will have an opportunity to express to the committee why the 250 BB RMC's who received technical assistance grants totaling \$200 million, only 15 of that 250 have actually signed full resident management contracts. I would like to start with that and then I will wrap up with the successes of resident management in St. Louis with Cochran Tenant Management and Carr Square.

First of all, I want to state to the Congressmen that I am very despondent when I hear the housing authority cite one resident management group who improperly misspent or mismanaged their operating budget, when I sit here today and you sit here today, from 1965 up until 1996, the housing authorities have spent \$5 billion—I am sorry—\$5 trillion—\$5 trillion of public taxpayers dollars that have come to them through subsidy to subsidize public housing in this country. And yet we sit here in 1996 and the only solution we have in stabilizing public housing authorities' mismanagement of public housing throughout the country is to demolish 2,000

units, we were told, in a workshop in Washington 2 days ago—2,000 units—I am sorry, 100,000 will be demolished by year 2000 of public housing units.

Now any of those who do not understand the cost of demolition, we just demolished a public housing site, Vaughn. The demolition alone cost the housing authority close to \$17 million. So I don't want everybody to think that demolition is something that is cheap and something that the taxpayers do not pay a gross number for—\$17 million it cost for the demolition of a 500-unit public housing development.

What upsets me is that the housing authorities have received close to \$5 trillion from 1965 to 1996 and you Congressman, you Congressman and many other Congressmen cannot even go into these cities into the public housing sites that they own, not just manage, that they own. Not only can you not go in there, they cannot go in there because they are not in control of the very property that they manage.

They remind me a lot of the school teachers, and I am a diehard Democrat, who say and who fight for public education and I believe in it, but yet children leave the school at the fifth grade or sixth grade and cannot read or write. Now it seems to me if we are paying for something, at the end we ought to have an end product. These young people who drop out of school in the sixth grade come back, Congressmen, into our neighborhoods, into public housing, into low-income neighborhoods because that is where they think their incorrigible behavior will be tolerated, because that is where the apathy exists, that is where no hope exists, that is where no vision exists, that is where no economic base exists and that is where poor management exists, or poor housing. So that is where they come back to and they join the gangs or any other incorrigible factors and they become a part of everything else that resident management has had to embrace when we take over the management of the housing authority's properties.

I see resident management, Congressmen, very much like a private property management group who just happened to be public housing tenants who took over a failing company very much like the guy who took over the—what is his name—Chrysler plant. But the blessing is when he took it over, they gave him a whole lot of Federal money. He did not take it over broke, they gave him tax dollars to make a private company successful. If you check the history of resident management—and you can check with Andy Boeddeker because resident management started here in St. Louis and Boston. Cochran has been managing for 20 years today. Carr Square, which is one of the oldest resident management has been managing for 23 years. We took over failing developments, failing businesses, and I like to use it like that, failing corporations. And we did not just take over poor housing. When we took over Cochran in 1976, 20 years today—

Mr. SHAYS. When did you get involved?

Ms. GILKEY. I have been involved in public housing—

Mr. SHAYS. No, during that 20 years, when did you join, 10 years ago, 5 years ago?

Ms. GILKEY. No; I have been involved since I was 16, Congressman.

Mr. SHAYS. Because I was looking at you and you said 20 years now—

Ms. GILKEY. You are so sweet. [Laughter.]

I come from a family of 15 children, my mother was—my grandfather was a sharecropper, we moved next to Cochran. Cochran was all segregated, it was the first high-rise public housing built in the city of St. Louis for all-white families. My mother lived next door in what they called the quadrangle, it was where many of the people we talked about today when we blow up 100,000 units, where they are going to end up at, because the very vouchers that we are talking about issuing, even the Congressmen who are voting for the vouchers do not want those people in their neighborhoods. So where are they going to go? They are going to end up in tenement housing, we are going backward. My mother lived in those tenement housing some 30 years ago.

Mr. SHAYS. I do not want to skip too off the subject here though. What do you think is the bottom line to your comment to us? You are making some very good points, but I don't want to steer you off.

Ms. GILKEY. My comment is—No. 1—

Mr. SHAYS. One of the points you are making to me this is not a new development, this is 20 years of tenant management.

Ms. GILKEY. That is right.

Mr. SHAYS. And one of the things I am hearing you say is you want to look at it as a failed business and you want us to view tenant management as one potential group that could manage a facility.

Ms. GILKEY. Absolutely, just like any other private management group. Like a section 8 landlord. A section 8 landlord or owner who just happened to be a tenant—there is never any emphasis—you know, Congressmen, you know what my real problem is—

Mr. SHAYS. You know what we should do, we should have the owners of section 8 housing live in the facilities.

Ms. GILKEY. Absolutely. But you know what really eats me in this whole process, that no matter how successful you are, when you are a resident, nobody takes our success seriously. If we were white males in America, took over failing businesses like we did in Cochran, 400 and some vacant units that we totally stabilized 6 blocks from the infamous Pruitt-Igoe that was blown up, 13,000 people, close to 10,000 units blown up here in this city. We stabilized that development.

Cochran was a result of the entire downtown area moving out, just died, because people have to go 20 blocks to avoid Cochran, it was just that notorious. The gangs were in charge. Our city councilmen who could not figure out how do you stop the residents in Cochran from robbing the workers from downtown who had to pass Cochran to get on the highway—his way to end that was to remove all the stop signs so people would come through Cochran where we have all these children 70 miles an hour just to get home to keep from being robbed. So the stop sign that is on 9th Street, all of them, and the stoplights, is a major statement to us that we are a community. The fact that Cochran was stabilized and now we have next-door neighbors who own 190,000 unit condos, still there, they have been there about 10 years. We have got market rate

housing, it is \$700—from \$450 to \$650 a month. They are still there. We have got a \$350,000 superdome, a \$47 million—

Mr. TOWNS. \$350 million.

Ms. GILKEY. \$350 million. Thank you Congressman. \$350 million—I have been up all night trying to get this stuff together—\$350 million superdome, \$47 million convention center, a new St. Louis Center Mall and I can go on and on, and 10 or 15 new hotels. And Cochran was the glue, we became the anchor that all of this was developed from.

My point is that you—we did not have to tear down the buildings. The problem is not the buildings. You are wasting precious taxpayers' dollars when you go in there and you blow up these developments. Oh, yes, you make a dramatic statement, but the bottom line, it ain't the buildings that have the problem—it is the people and the people that have been dumped into public housing were not selected by the residents or the resident management groups that end up having to take over managing these facilities. They were selected and placed in those developments by the housing authority.

Mr. SHAYS. What I am going to do is come back—we are going to ask questions and we are going to get into why it is successful, which is really the key because that is the bottom line. What do we want to mirror, what do we want to learn that was bad and good from the experience, and we are going to come back if that is all right.

Let us let Dorothy Harrell—I would love to be able to have the third panel at least be able to speak and I am almost toying with the idea of asking this panel to come back and ask some questions so that Mr. Towns can—

Ms. GILKEY. We would love to come back.

Mr. SHAYS. I may do it that way, but Ms. Harrell, nice to have you here.

[The prepared statement of Ms. Gilkey follows:]

**Date:** May 30, 1996

**Sub-Committee:** On Human Resources and Intergovernmental Relations  
Christopher Shays, Connecticut Chairman  
Room B-372 Rayburn Building, Washington D.C.  
20515

**Speaker:** Mrs. Bertha Gilkey, President Cochran Tenant Management  
Corporation, Saint Louis Missouri 63101

Dear Congressman,

Chairman Shays, and committee members. My name is Bertha Gilkey. I am President of Cochran Tenant Management Corporation (RMC/TMC) a high rise public housing complex located downtown in the City of St. Louis, Missouri six (6) blocks from the "infamous Pruitt Igo" that was blown up in 1972. Cochran was scheduled to be blown up in 1973 due to the high vacancy, drug dealing, deplorable physical conditions of the buildings and open shooting and gang activities. The St. Louis Housing Authority did not know who was living in Cochran legally they only controlled the federal dollars given to administer the management of the site. It was the gangs who were really in charge of Cochran.

Cochran Tenant Management (CTMC) residents have managed the site since 1976 a total of 20 years to date under the guidance of a Duly Elected Resident Board of Directors who contract with (SLHA) Saint Louis Housing Authority. Today, Cochran Gardens provides the newly revitalized downtown economic entities with a hard working low and moderate income work-force that (19) years ago was non-existent due to the lack of job opportunities for unskilled workers, an the criminal activities that existed in Cochran under the St. Louis Housing Authority

Management. However, as a result of the Resident Management, Economic Development, and Empowerment Initiatives funded by HUD today Cochran Gardens is a part of a Partnership of Economic Entities of the downtown area and has assisted in stabilizing marketing the surrounding areas that now encompass the following:

- \* A 250 Million dollar Superdome Stadium
- \* A 75 Million dollar Convention Center
- \* (10) Ten Newly built Hotels
- \* 125 Million dollar Saint Louis Center Mall With 200 Stores
- \* 15 Million dollar Expansion of Kiel Auditorium
- \* 1000 Units of newly built Market Rate Housing
- \* 1000 units of newly built condo's selling at \$90,000 to \$160,000 per unit
- \* Redevelopment of St. Louis RiverFront
- \* Newly Built Schnucks Supermarket
- \* Newly Built AT&T Building

I appreciate this opportunity by your committee to continue to discuss and review public housing Resident Management and its success as an entrepreneur entity in year 2000. Cochran Gardens Tenant Management Corporation is a mature Resident Management Corporation, again that has managed for 20 years a one high crime notorious and poorly managed development for the St. Louis Housing Authority.

I cannot reiterate enough how important RMTAG TOP/TAG funds are crucial to the birth of Resident Councils and the Survival of RMC's and TMC's and the future of stabilizing well managed low-income housing that struggle to "reclaim their crime infested Public Housing developments as Cochran Tenant Management did in 1976 without demolition and deification and

force vouchering. A Resident Councils's ability to function and communicate the problems that exist in their community are only effective if the residents have an Autonomous Economic Base to provide training which is key, and if Public Housing Authorities see them as Public Housing Authorities in HUD see them as partners in resolving long standing issues in the complex. stabilization, rent increasing, vacancy decrease, elimination of crime, increasing resident employment, decrease in gangs and overall better quality of life for residents who want to improve quality of life.

Green, and George Loving Tenant Management Corporation in Dallas Texas, are all at different stages in Resident Management which represents the birth of changes, choices, and alternatives from traditional PHA's which is Resident Participation; Resident Management Corporations that resolve the problems of their particular public housing site and expose serve management deficiencies while utilizing economic development and empowerment initiatives funded by HUD to further accomplish substantive managerial goals.

Again, the TOP/TAG and RMTAG Grant Funds provided by HUD are necessary because they provides residents of public housing who want to address the long standing issues of bad public housing authorities with an independent source of revenue that is not at the discretion of bad Public Housing Authorities and is a viable option for demolition and displacement thru utilizing Resident Management as a private non-profit entrepreneur. Resident Councils fail to achieve Resident Management of their crime infested developments all across the country because bad PHA's Limit, Intimidate, and Control the funds available to Resident Organizations for Training, Technical Assistance, Economic Development, and Empowerment.

Resident Councils who have their own autonomous economic base become less afraid to speak out against injustice, poor management, and the often squalid and dilapidated conditions they are

forced to live in. The potential to develop real leadership in Public Housing is directly tied to and organizations ability to:

1. Pay for the training of duly Elected Resident Councils that RMC's will use to establish Resident committees and groups whose functions is to provide a system to residents and make them accountable and responsible to maintain community standards which decent safe and sanitary housing for low and moderate income people.
2. Use these newly developed systems paid for by RMTAG and TOP/TAG or HUD to identify problems in their site.
3. Develop real solutions and systems with PHA's after addressing their existing Management Deficiencies without fear of reprisals from the PHA's.
4. Finally to incorporate, negotiate and enter into a property and management contract themselves and become an Alternative to the Public Housing Authorities and manage their own sites. An example of PHAs (Public Housing Authority) not working in good faith ultimately private property management companies with a strong economic base in a resident work force.

Public Housing Residents want to improve their quality of life, become independent, and self reliant. However in order to become independent Resident Councils eventually are forced to expose what their PHA's are not doing, which ultimately puts them at odds with the very agency that controls their funds. If you truly believe that Residents are a part of the problem and the current system in place is not effective then I say to you please consider including residents in any solution that requires their direct participation. Resident Management provides tenants with a vehicle to go from being managed to becoming manager and ultimately self sufficient. Finally and most importantly the current system in place across the country punishes residents that expose PHA's inability to manage. RMTAG and TOP/TAG are responsible for the following opportunities:

1. Job Training (1,971) residents have been hired since 1988 first awarded RMTAG/ and TOP/TAG have been awarded. (Building Maintenance and Repair, Computer Programming/Word Processing, GED, Job Interview Skills, Brick Laying, and Child Care Training, and finally Micro-Enterprise.
2. Economic Development (1,824) new jobs have been created as a result of the expenditure of RMTAG and TOP/TAG funds since 1988. Types of Jobs created: (General Carpentry, Administrative, Child-care Providers, Security, Computer Systems Operation, Management, Entrepreneurship, Community Planning Outreach, and Health Care Providers.
3. Resident Owned Businesses (132) Resident Owned Businesses have been created. Some include the following: (Landscaping, Property Management, Child-care Services, Grocery Stores, Laundromat facilities, food delivery, and catering services.

The availability of funds to provide training to RMC/TMC's for Economic Development, Empowerment Initiatives, and Resident Management will determine how residents will meet the challenges to their communities economic, and social survival. The RMTAG and TOP/TAG funds are like an incubator system for Resident Councils. With training, leadership, and empowerment these grassroots organizations ran by public housing residents will provide Congress with an alternative that is different than the current system available.

Economic Development, Job Training, Child-care, along with Regulation 963, and 964 allow Residents an opportunity to empower themselves, employ themselves, and improve the quality of life they live. However, I must address the House Appropriations Committee Bill that suspended the Brooke Amendment in public housing which has capped tenant rent contributions since 1969. The Impact of the proposed Rent Increase Suspensions (even for one year) will impact severely the low income families residing in public housing.

In conclusion, Resident Management began in 1973 in St. Louis and Boston with two public housing developments (Carr Square TMC and Broni). Today there is thirty-three (33) full resident management developments throughout the council. The potential to further this initial is overwhelming particularly during the climate whether its less federal dollars and a push for self sufficiency. All existing Full Resident Management sites have a high resident employment system, reduction in crime, increase in rent collection, on-site support system, community center, day-care, health center and RMC owned or TMC owned businesses. Resident Management addressed the whole approach of moving the poor in a dignified process into being economically free and allow them to main stream with the rest of America. It is essential that the CFR964 bill remain in tact that gives tenants the option to manage the Public Housing Developments where the housing authorities have failed costing the taxpayers to date \$5 trillion dollars.

Sincerely,

A handwritten signature in black ink, appearing to read "Bertha Gilkey". The signature is fluid and cursive, with the first name "Bertha" written in a larger, more prominent script than the last name "Gilkey".

Bertha Gilkey

President Cochran Tenant Management

COCHRAN GARDENS:  
TENANT MANAGEMENT OFFERS REAL PROMISE FOR DISTRESSED ESTATES

BERTHA GILKEY

COCHRAN TENANT MANAGEMENT CORPORATION, ST. LOUIS, MISSOURI, U.S.A.

INTRODUCTION

St. Louis, Missouri experienced the greatest population loss of any major U.S. city in the decades since the end of World War II. Its location near the confluence of the Missouri and Mississippi Rivers accounted for its growth as an industrial center in the latter part of the 19th century. The city reached its population peak in the early 1950's with more than 850,000 residents, and then the mass migration to St. Louis County and other municipalities to the west began in earnest with the construction of the interstate highway system that facilitated commuter traffic and the development of single-family residential subdivisions and industrial/commercial office parks. As the suburban exodus began, the City of St. Louis, in an effort to hold its residential and business populations, began to condemn and clear enormous areas of low-income row houses, tenement buildings, and deteriorated warehouses with the hope of stimulating redevelopment under federal urban renewal programs. The slum clearance program of the 1950's spawned the construction of approximately five thousand "replacement", high-rise family public housing units within a five mile radius of the Central Business District including the infamous Pruitt-Igoe estate (1954-1956) and Cochran Gardens (1952).

Cochran Gardens consists of 704 units on an 18 acre site. Is twelve buildings of reinforced concrete range from six to twelve stories. The estate is located on the edge of the DeSoto-Carr Urban Renewal Area in the midst of a light industrial area, and immediately

north of the Cervantes Convention Center. Its tenant population was virtually all white until the late 1950's, and then became all black by 1970. The rapid change in Cochran mirrored that of St. Louis which by 1980 counted only 435,000 residents and had lost almost half of its 1950 population. Blacks now made up forty-five percent (45%) of that total representing a two-fold increase from 1950.

During the period of 1955-1970, the tenant composition of public housing throughout the country, as well as in St. Louis, changed dramatically as families whose incomes exceeded the local housing authority ("LHA") continued occupancy limits were forced to seek housing on the private market. These families, many of whom were white, were gradually replaced by underemployed and fixed income black and other minority families who could not afford alternative standard housing on the private market. The operating costs of the LHAs during this time increased at a rate which was far greater than rental income which remained relatively constant because most families were receiving some form of public assistance.

The ever-increasing gap between income and expenses prompted Congress to assist LHA's during the 1960's by enacting several amendments to the Housing Act of 1937 which provided direct subsidies to LHAs for housing certain categories of elderly and low-income families, and then with annual direct operating subsidies under the "Brooke Amendment" in 1969. Despite these efforts, LHAs in major urban areas during the last fifteen years have continued to operate with substantial annual operating deficits and with little political support either in the White House or in the Congress.

The plight of Urban public housing today reflects not only

deficiencies in the original operating formula designed by Congress which assumed tenant rents would match expenditures, but also in the subsequent, unintended responsibility LHAs had to assume for housing chronically unemployed, low-income families. This resulted from a combination of factors related to the social motivation of LHAs, and legal restraints established by the federal courts after 1954 barring economic and/or racial discrimination in public housing admissions. The rapid influx of the dependent poor brought with it some who were incapable of assimilation. Vandalism, drugs, and anti-social behavior increasingly plagued the majority of public housing residents, and created insuperable management problems for LHAs which were ill-equipped to deal with them. Efforts were made to provide security and community services for residents, but with limited success. Many public housing estates were located in deteriorating, inner-city neighborhoods which simply exacerbated the problems of management, and increased the incidence of crime and vandalism. Public housing communities were overwhelmed by social forces beyond their control, and residents withdrew into the safety and isolation of their own apartments with little hope virtually no housing options. LHAs continued to operate with added financial and social costs for which no level of government was individually or collectively willing to assume the responsibility.

The St. Louis Housing Authority has been a good example of the ultimate fate of the public housing program in many urban areas throughout the country. It struggled through the latter part of the 1960's attempting to stave off bankruptcy by increasing rents to offset escalating expenditures, when, in 1969, it became the target of an unprecedented rent strike. The strike precipitated a series of political

events that eventually led to a negotiated settlement and the evolution of new directions in dealing with the crisis. The principal feature of the new direction was a program of tenant management. This innovative effort was initiated in the Cochran Gardens estate in 1976 with the support of The Ford Foundation and the LHA.

Nine years later the Cochran Gardens Tenant Management Corporation ("TMC") has demonstrated that distressed public housing estates standards can be managed effectively both in terms of traditional real estate standards, and more significantly in terms of an expanded concept of management which includes a variety of human or "soft" management programs.

The restoration of Cochran from its deteriorated state in the late 1960's and early 1970's is an extraordinary story. During this period, the individual buildings of the estate were simply a mess. Graffiti was everywhere. Garbage lined the halls and overflowed the trash chutes. Elevators, when they worked, and stairwells, when they were lit, smelled of urine. Vandals had destroyed first floor apartments, kicked in mailboxes, and often set garbage dumpsters on fire. Packs of dogs roamed the site. Assaults and shootings were a regular part of project life; it was not uncommon to find fresh corpses in or around the buildings. Security was non-existent; even the police and fire departments were reluctant to enter the estate. Conditions were frightening, and given Cochran's location immediately north of the Downtown area, many businessmen were urging its demolition. Thus, the TMC inherited a "disaster" when it executed its first management contract in June, 1976. Most were extremely skeptical that the tenants could reverse conditions on the estate.

A. TENANT MANAGEMENT AT COCHRAN GARDENS

The initial tenant management program at Cochran required the development and coordination of a variety of new elements. In the aftermath of the strike, the Authority concluded that it could best serve its residents by acting as a "holding company" and by actually operating its sites through the mechanism of private contract managers, with the expectation that they could not only improve the management operations in a particular development, but also provide various types of social programs for the residents. The Authority gradually contracted out the management of its estates on a fee-for-service basis, so that it no longer directly managed any estates within the City of St. Louis. It continued to provide each management entity with regular, data processed reports to monitor its performance, and it continues to carry out all budgeting and accounting activities. From this point of view, the TMC program fit nicely into this administrative change.

Initiating tenant management did not involve a substantial change in management procedures. The legal basis for the management demonstration was a simple contract based on the management agreements the Authority had executed with other contract managers. The TMC's agreed to use the centralized rent collection and data processing system of the Authority which provides bi-monthly delinquency reports, current information with respect of family density and available units within each development, demographic information on family composition and sources of income, maintenance productivity, and site operating statements. The TMC was particularly interested in avoiding the contractual responsibility for collecting rents which would have simply increased administrative costs and added to the administrative responsi-

bilities of the TMC staff. Rents are now mailed by residents with a monthly stub to a central depository.

#### TENANT MANAGEMENT CORPORATION STRUCTURE AND RESPONSIBILITIES

The principal elements of the tenant management program consist of (1) a tenant Board of Directors for the estate; (2) an administrative structure and responsibilities for the resident management staff; (3) training and technical assistance provided to the TMC; and (4) various soft management program efforts which have been developed by the TMC during the last nine years.

A principal goal in designing the TMC program was the preservation of the different social and political relationships which had developed over the year in Cochran. The TMC was acutely aware of the fact that the traditional approach of LHAs in using "outside" social service agencies or creating a separate social services unit had only marginal success, because social programs have functioned separately from the estate management program. The concept of tenant management suggested that both the "hard" and "soft" elements of a public housing management program had to be integrated and had to flow from single entity which had the support of and was ultimately responsible to the community.

The need for a uniform community "sponsor" for the tenant management program in the TMC estate was an administrative necessity for the Authority, although it was felt that the management entity had to be flexible enough to permit the TMC to function as a modified form of its traditional community structure. Cochran Gardens prior to 1976 had functioned with a tenant council composed of elected residents.

The tenant association had sponsored a variety of social programs and provided a recognized organizational structure within the community. The tenant council had organized each building with its own directors and, as one of its ventures, established laundromats throughout the estate, the profits of which were used by each building. This had been used as an organizing tool to generate tenant participation in each building.

The TMC Board of Directors functions as the primary sponsor of all hard and soft management programs, and is elected by the residents every three years, serving without compensation. All TMC employees are paid on a uniform scale and are entitled to appropriate fringe benefits. Employee grievances are heard first by the Manager, although every employee is entitled to use the Cochran TMC personnel procedure.

Administrative employees of the TMC are paid from management fees received from the Authority.

The TMC Board of Directors, in conjunction with its staff, established rules and regulations for its development. These regulations relate to matters such as pets, use of drugs, curfew for children, and disposal of trash. The rules were developed through a series of general resident meetings as part of the TMC training curriculum. The adoption of "new" rules and regulations served notice on the resident community which participated in drafting the regulations, that the Board and its staff intended to enforce them. Repeated violations of the regulations are generally referred to the Board which, in turn, will hold a hearing with the family and its resident manager and recommend a course of action to the manager, which will vary from no

penalty because of extenuating circumstances to a directive for immediate eviction. Every resident in the estate is entitled to all the protections of the Authority grievance procedure which binds the TMC as well as the private contract managers.

The principal administrative staff positions of the TMC generally mirror the prior staffing pattern of the Authority with the exception of building managers who were added to the TMC structure at the start of the management program.

The resident and assistant resident manager of the estate are responsible for the complete management operation. The various components of the management effort encompass developing annual budgets, leasing of apartments, annual reviews, computation of tenant rents, follow-up of rent delinquencies, preparation of all rent and/or evictions suits, maintenance and custodial activities, security, and all soft management programs.

The TMC interviews and screens all prospective tenants at the individual site rent offices. The Authority monitors the leasing activities of its contract managers on a regular basis to ensure that all federal and Authority guidelines are followed, but the St. Louis experience has demonstrated that the decentralized leasing activity is far more responsive to the marketing and screening efforts of each management group and has reduced the processing time for prospective tenants.

The TMC and contract managers annually review their needs and budget items with the Authority prior to each formal budget submission to HUD. Once the budget is approved, the TMC is given the total development budget. Each month the Authority provides the TMC and pri-

vate managers with a portion of the calculated income based on the budget; in addition, a 10% management fee which compares actual with budgeted expenses for each category.

The resident and assistant resident manager must reside in Cochran, and are selected by the Board of Directors. The current resident manager has been one of the principal leaders of the estate and serves as the focal point for the management effort. The resident and assistant resident manager function somewhat differently in terms of specific responsibilities, but both work closely together as a team to oversee the management operations and to maintain regular contact with their Board of Directors and resident community. They divide the direct responsibility for: controlling their budgets; leasing apartments; contacting delinquent tenants; supervising maintenance and custodial performance; supervising building/lane manager activities; supervising security operations; supervising outside contractors; requisitioning materials; developing and monitoring soft management programs; conducting staff meetings; and attending Authority-Commission meetings.

An integral part of the TMC program centers on the activities of the building managers who are residents, and are responsible for a variety of activities in a specific geographic area of the estate.

The building managers serve as an important link between the TMC and residents of the estate. They distribute notices from the TMC office regarding both hard and soft management issues. They contact delinquent tenants, and orient new tenants to the TMC structure and procedures. Each new tenant is visited by a building manager to explain TMC rules, introduce the tenant to the residents of a building, and discuss any problems the tenant may have. Grievances or complaints

with respect to management practices are generally made by residents to their building manager who will facilitate, as an example, the replacement of a stove, refrigerator, or window. They oversee custodial activities in their assigned areas, and assist the TMC security guards and maintenance staff by directing their attention to derelict automobiles, abandoned apartments, or missing site or stairwell lights. They contact delinquent tenants to determine if the family has some particular social problem, assist elderly tenants with errands, and generally function as community organizers.

The building managers play a critical role in further decentralizing the management activities of the TMC; moreover, they provide the TMC with the capability of replacing or substituting for administrative or custodial personnel. Building managers are often called upon to spend a day(s) substituting as a clerk typist, a maintenance clerk, or as the custodian in their building or project area. In this way, the TMC has generated a more effective management organization in which each staff member is capable and willing to substitute for another. All TMC members understand the budget necessity for carrying out various roles at any given point in time, and the building managers have greatly facilitated the ability of the TMC to respond to management or resident problems. Their various activities have additionally provided the opportunity for the TMC "to promote" a particular building manager into a different job--usually one which had been held by a non-resident. In this way, the TMC is continually upgrading its staff and generating new employment possibilities within the TMC structure for residents.

The management performance of the TMC during the last nine years

has demonstrated beyond a doubt that it has the capacity to out-perform the LHA. The maintenance and custodial program at Cochran is superior to any of the other family estates currently operated by the LHA or private contract managers. The common hallways, grounds, parking area, elevators, and exterior walls are clean--contrary to the situation in the other family sites. Vandalism and drugs have been reduced to an occasional problem.

#### B. ESTATE RE-DESIGN

As the tenant management program began to stabilize the Cochran community, it was clear to resident leaders that the original physical design of the estate was inappropriate for the families then in residence. Many families were living in overcrowded conditions with as many as four children sharing a small bedroom. Smaller apartments had been "married" in some cases to create five and six bedroom units where none had existed in the original design.

Elevators were constantly vandalized and in a state of disrepair and represented a major area of operating expense. The building entrances were all facing major streets and were wide open to anyone coming off the public sidewalks. There was no controlled access to the buildings of any sort. There was limited recreational space for children and no organized programs.

The TMC, with the assistance of architects and consultants, began to re-design the entire complex in an effort to accommodate the needs of existing families. The planning effort focused on specific goals that were developed in conjunction with the TMC. They were:

- ..Reducing the density in each building by reducing the number of families and providing more floor space for those who remained.
- ..Moving larger families to lower floors in properly sized garden and townhouse units.
- ..Designing a 12-story building as an elderly congregate facility.

- ..Creating recreation and community space on the site for day care, health center, recreation, and other "soft-management" activities.
- ..Creating a site plan which addressed the shortage of parking, lack of play areas, the uncontrolled pedestrian walkways, and the meager landscape throughout the estate.
- ..Addressing the major deferred modernization items involving mechanical systems, electrical wiring, elevators, lighting, and apartment improvements including new kitchens, bathrooms, and windows.
- ..Insuring that no family which was in compliance with its lease would be displaced from the Cochran Gardens neighborhood.

An interesting design element which emerged from the planning was the addition of exterior stairwells along side the buildings to permit the larger families who were moved to the first four floors access to their units without the need for an elevator. This meant that the use of the elevators would be greatly reduced with the expectation that operating cost savings would follow. This has, in fact, been borne out over the past five years.

The redesign of Cochran Gardens necessitated the construction of 100 new public housing units immediately west of the estate to accommodate many of the larger families who needed three, four, five, and six bedroom units. Thus, the redesign reduced the original 704 units to 636 in the original site. The following table reflects the new unit configuration as it exists today:

COCHRAN GARDENS/PLAZA  
Combined Unit  
Distribution

ESTATE	<u>Eff</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	<u>5BR</u>	<u>6BR</u>	<u>TOTALS</u>
Cochran Gardens Family	--	36	140	150	64	16	---	406

	<u>Eff</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	<u>5BR</u>	<u>6BR</u>	<u>TOTALS</u>
Cochran Gardens Elderly	22	192	22	---	---	---	---	236
Cochran Plaza	--	---	43	32	11	7	7	100
TOTALS	22	228	205	182	75	23	7	742

The site plan included the re-orientation of front entries to the inside of the site in order to have building groups face well-lighted courtyard areas. The edges of pairs of buildings have been reinforced with various types of barriers including grade changes and fencing.

A new community center was designed as part of the estate and includes:

- ..A day care center for 60 children
- ..A gymnasium
- ..Meeting rooms
- ..Small kitchen

A full component of activities is now being carried out by the TMC in conjunction with the City of St. Louis.

#### C. PROGRAM COST

The renovation of Cochran Gardens began in March, 1981 with an initial HUD modernization grant of \$5,630,000 made to the St. Louis LHA. The initial funds were followed by three subsequent grants of approximately \$14 million which allowed the construction program to continue through 1984. One twelve-story building remains to be completed, although the funds for its renovation have been allocated.

The total cost for the renovation of Cochran Gardens will amount to approximately \$25 million which translates into \$39,000 per dwelling unit. In addition to providing for the new stairwells and site development work, the modernization program included new windows, plumbing fixtures, new electrical system, kitchens, elevators, bathrooms, and security system. Thus, the complex has been completely restored.

The comprehensive planning and subsequent funding of the Cochran Gardens rehabilitation scheme is unprecedented in the United States. The traditional experience and practice of LHAs in carrying out modernization activities is to select several items in a particular estate which need repair. The result has been to never restore a severely distressed estate to a newer standard. Tenants are never satisfied, and in the end, the LHA has to spend relatively more money over time to maintain an estate in marginal condition. It would seem that the results in Cochran would argue for a more comprehensive approach, but this has not been the case. The Department of Housing and Urban Development and LHAs continue to use modernization funds for limited improvements, and generally do little, if any, comprehensive planning for the long-term preservation of an estate.

#### DEVELOPERS/PRIVATE AND SUBSIDY APARTMENTS (O'FALLON PLACE)

Cochran & Carr Square TMC are 25% partners and owners of O'fallon Place, a 675 apartment complex in St. Louis. The apartment complex is located on 32 acres of land (urban renewal). At least 275 apartments are section 8 (subsidized). The remaining apartments are market rate. The bedroom composition is 1, 2, & 3 bedrooms, two swimming pools, tennis courts, washer/dryer hook ups, dish washers, central air, draperies, etc. TMC earned (\$1 Million Dollars) in the synication and

monthly rental fees.

#### BLAIR APARTMENTS

TMC's are 50% owners of Blair Apartments. This was a 125 year old school building that had been closed down by the local board of education. The TMC's and their joint developer partner (Richard Baron) purchased the school from the board and rehabilitated it as 39 apartments. This site was also synicated. The TMC earned \$175,000.00 from the synication fees.

#### COCHRAN PLAZA

TMC submitted a bid proposal to the SLHA to develop (100) apartments of low rise turnkey. The apartments to be used as re-location housing for existing families in Cochran who gave up their apartments so that large families could have more space as well as reduce the density. Cochran Plaza has 2, 3, 4, 5, & 6 bedrooms located directly across from Cochran Gardens. This site is central air, individual back yards, large kitchens, and in large apartments 2½ bathrooms.

The TMC's earned \$350,000 from the re-sale of Cochran Plaza to the SLHA. Cochran TMC has managed this site since the completion of the construction.

#### CATERING SERVICES

TMC has a catering service that provides 700 meals daily for elderly residents and the TMC owned child care centers. This business generates \$350,000 yearly in food contracts. The company operates out of two kitchens located in public housing and a local community facility.

#### CABLE TELEVISION

TMC's are 10% owners of a local cable corporation. All installation

marketing, and disconnecting will be performed by the residents who are hired in the cable business. TMC will install cable in 6,000 apartments if requested.

#### JANITORIAL COMPANY

Cochran TMC established a janitorial company in 1976 that initially trained (45) residents in the field of janitorial services. The SLHA has sub-contracted these services to the TMC over the past eleven years.

#### NEIGHBORHOOD MALL

TMC will be 50% partners with the largest super market chain in Missouri, "National". They will jointly develop a mall that will not only create additional income and jobs for Cochran residents, but the TMC will support (3) tenants who will own their own store in the mall. TMC will provide for tenant owners:

- ..\$5,000 grant
- ..Bookkeeping
- ..Typing
- ..Accounting
- ..Legal

#### SINGLE FAMILY HOMES

TMC has engaged a team of technical consultants and architect planners to assist in a marketing study and design of single family detached homes that local tenants who's income has given them the option to move out of Cochran, but desires to remain in the neighborhood. The TMC will develop single family homes in the surrounding neighborhood where huge amounts of vacant urban renewal land exist.

CARR APARTMENTS

TMC will jointly partnership with the SLHA to rehabilitate a vacant school and convert the structure into apartments. TMC has hired an artist and consultant to assist in the design and financing package.

EMPLOYMENT

TMC has created in eleven years seventy five jobs that are located within the Cochran community and an additional seventy five in the various public housing developments in St. Louis, Missouri.

SOCIAL PROGRAMS

1. (5) Childcare centers, 285 Children, 75 employees residents
2. Social Service Director onsite
3. Elderly Hot meals program (260 meals)
4. After school tutoring
5. Community center & youth programs
6. Onsite health clinic
7. Infant center (children 6 weeks old)
8. Building captain system
9. Tenant emergency services
10. Floor captain system
11. Youth Patrol program
12. Onsite security (4) guards per shift
13. Summer youth job training program

MANAGEMENT TEAM

1. 3 Managers onsite (Elderly Manager, Low-rise Manager, High-rise Manager)
2. 26 guards, total coverage 7 days per week
3. Community Center - Staff, 4 residents
4. (12) Building captains

5. (16) Custodians
6. (6) Maintenance
7. (2) Gardners/Landscapers
8. (1) Purcument officer
9. (1) Workorder clerk
10. (1) Leasing clerk
11. (2) Exterminators
12. (2) Clerk Typists

#### CATERING COMPANY

(25) employees/700 meals daily

#### CABLE TELEVISION

- 10% Partnership
- a. Installation
- b. Marketing
- c. Disconnecting

#### JANITORIAL COMPANY

DEVELOPERS/creation of 675 apartments/new construction O'Fallon Place  
(Market rate and subsidized)

Rehabilitation of (1) vacant school/Blair apartments - 39 apartments  
Subsidized and market rate

Generation of 1 million dollars from syndication fees and rent retention

#### FUTURE PROJECTS

- ..Creation and development of a neighborhood mall
- ..Rehab vacant schools as apartments/joint partnership Public Housing Authority
- ..Construction of single detached homes (for sale) on vacant urban renewal land near Puritt Igo
- ..Managing other estates for Public Housing Authority
- ..Tenant Management ownership of Cochran Gardens

OTHER PUBLIC HOUSING TENANT MANAGEMENT GROUPS AROUND THE COUNTRY

- ..15 Group
- ..Kilworth Parkside (Washington, D.C.)
- ..New Jersey
- ..Louisville Kentucky
- ..Cleveland Ohio
- ..New Orleans

CAN THIS "MODEL" BE DUPLICATED IN OTHER CITIES IN THE UNITED STATES OR THE WORLD:

The TMC model that was designed in St. Louis is now operating in the following cities:

- ..Jersey City (5) Public housing developments
- ..Louisville Kentucky (1) Public housing development
- ..Rochester New York (1) Public housing development
- ..Cleveland Ohio (1) Public housing development

OTHER COUNTRIES:

- ..London (25) Public housing estates

NEW TENANT MANAGEMENT CORPORATIONS IN TRAINING (USING ST. LOUIS MODEL):

- ..Chicago Illinois (2) Public housing developments
- ..Philadelphia (2) Public housing developments
- ..Camden New Jersey (2) Public housing developments

CONCLUSION

The management performance of the TMC at the Cochran Gardens estate and its maintenance of the rehabilitation improvements provide convincing evidence that residents of public housing can, in certain situations, make an extraordinary contribution in the preservation of family estates.

~~In the last ten years more than a dozen tenants managed estates have~~

have been tried in the United States, and all have had varying degrees of success. By all accounts, Cochran has been the most exemplary.

The Cochran experience has suggested that a tenant management initiative can work quite successfully where two conditions exist: 1) an interested and committed group of tenants who want to take on the difficult task of estate management, and 2) an interested and committed LHA which is willing to share decision-making and authority with its residents. Where these two conditions do not exist, there is little hope for success. The tenant management program cannot be "forced" on an unsuspecting group of residents as a way of disposing of a distressed estate. It also follows that no matter how strong or effective the tenants are at a particular estate, if the LHA has no interest in sharing its authority, there will be no chance for tenant management to succeed.

It should be noted that even where a LHA and its residents at an estate are willing to pursue tenant management, the program cannot resolve the fundamental problem of having sufficient income to offset expenses and maintain operating reserves. Tenant Management is not a panacea for meager operating funds. What tenant management can achieve is predictability in terms of establishing operating budgets which will be achieved, thereby creating the conditions for the prudent expenditure of capital funds to raise the physical design of an estate to a new standard. This is the real promise for tenant management and the rationale for traditional public authorities to rethink their management strategies.

Ms. HARRELL. Thank you. Good morning everyone.

Mr. SHAYS. Good morning.

Ms. HARRELL. I am not going to read my statement.

Mr. SHAYS. You are more than welcome to read your statement.

Ms. HARRELL. I have some things that I would like to say.

Mr. SHAYS. That way you make sure you cover everything.

Ms. HARRELL. My name is Dorothy Harrell, I am president of Abbotsford Homes Tenant Management Corp. in the State of Pennsylvania. We are the first and only group in the State of Pennsylvania to be a tenant management corporation. We were privileged to sign a contract with the Philadelphia Housing Authority back in May 1991. Abbotsford is a conventional site consisting of 700 units.

I am attaching a copy of some of the documents to give to you, but now I would like to give you an overview of just a few of our accomplishments.

We have been instrumental in acquiring a laundry room for our residents after negotiating with a private company.

We have contracted with a cable company in order to bring cable into our development.

We have set aside a unit within our development which we call a transition unit to be used for emergency purposes for all our residents.

We have a health center on site which was made possible through a grant given to only seven organizations in the United States. The grant was for \$1.9 million. We received a second grant from a private funding to expand our health center after doing such a wonderful job.

We have had a reduction in crime elements, and I brought some documents from our police district of how crime has gone down in our area, from 90 percent to a low of 31. We have been fortunate in employing some of our residents, therefore decreasing some of their dependence on public welfare.

Our maintenance department, which I think most of you hear a lot about the maintenance department—our maintenance department has gone from 20 percent performance to a high of 95 percent performance.

Although procurement regulations for Abbotsford 84 and PHA 85 differ with the housing authority, we do expect to keep within our regulations and sometimes it serves us as a handicap. We have been able to achieve many of our goals that have been against the odds.

We have a vision to pursue. Our dream is to facilitate a permanent day care, put in a mini-mall—we are doing a survey on that now—and look forward to home ownership in the future.

We are happy to report that to date we have a reserve of \$700,000 in the bank since we have been managing. We are hoping to continue to move forward and achieve many more accomplishments.

Thank you.

Mr. SHAYS. Muhammad Akbar.

[The prepared statement of Ms. Harrell follows:]



**ABBOTTSFORD HOMES TENANT  
MANAGEMENT CORP.**

3210 "B" McMichael Street  
Philadelphia, PA 19129

(215) 848-6911  
Fax (215) 843-9247

June 1, 1996

Christopher Shays  
Chairman-Subcommittee  
On Human Resources and  
And Intergovernmental Relations

Dear Mr. Shays:

My name is Dorothy Harrell, I am the President of The Abbottsford Homes Tenant Management Corporation. We are the first and only group in the State of Penna. We meaning the Abbottsford Homes Tenant Management Corporation, (A.H.T.M.C.).

we were privileged to sign a contract with the Philadelphia Housing Authority, (PHA). in May of 1991. Abbottsford Homes is a conventional site consisting of 700 units.

I am attaching copies of some documents to give you an overview of some of our accomplishments.

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4. We have a Health Center on site which was made possible through a grant given to only seven organizations throughout the U.S. ,We recieved a second grant from private foundation to expand our Health Centers facilities.

We have had a reduction in the crime element in our development, from a 90% to a low of 31%. We have been fortunate in employing some of our residents there-fore decreasing some of the dependency on public welfare.

Our Maintenance Dept. have gone from 20% performance to an all time High of 95% performance.

Although Procurement regulations for AHTMC 84 an PHA 85 differ the HA do expect us to keep within their regulations which sometimes serve as a handicap to us. We have been able to achieve many of our goals that have been against the odds.



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3210 "B" McMichael Street  
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Fax (215) 843-9247

Continued----

We have a vision to pursue, our dream is to facilitate a permanent day care Center, Put in place a Mini Mall, and Look forward to Home-ownership in the future.

We are happy to report that to date we have a reserve of seven thousand four-hundred and eighty nine dollars ( \$7,489.00 ). We are hoping to continue to move forward and achieve many more accomplishments.

Sincerely,

Dorothy Harrell, President  
AHTMC

## ABBOTTSFORD HOMES TENANT MANAGEMENT CORPORATION

## HISTORY

In May, 1942, the first "proud" tenants moved into the first 150 units that were completed here at Abbottsford Homes, previously called Altemus Site, after the former owner, Mrs. Bessie Dobson Altemus. Initially, this new \$3 million development was restricted to workers in five war plants, all within one-half mile of the development.

In fact, the very first tenant to move into Abbottsford Homes was Theo R. Pittack, from Scranton, PA, who had found employment in Philadelphia, with Budd's as a Spray Painter. His wife, his son, Bruce, 6, and their pet dog joined him in that move on May 20, 1942. Roland R. Randall, chairman of the Philadelphia Housing Authority, proudly opened the door of one of the new defense houses at Abbottsford Avenue and Fox Street, for these first tenants. It was reported that Mrs. Pittack, 30, was "delighted over the waxed hardwood floors, the spacious refrigerator and other features of the white kitchen". The Pittacks' four-room apartment rented at that time for \$32.50 plus a flat \$10.00 charge for utilities. Other units rented for \$27.50 and \$35.00.

Abbottsford Homes graced the rolling, wooded estate which formerly housed Mrs. Altemus' palatial "Bella Vista" or Altemus Mansion. Stones from the demolished mansion were used in wings of the Centre's Community House. The Federal Works Agency, under which the development was constructed, gave orders preserving many of the big trees of the estate.

The Philadelphia Housing Authority was very much criticised in the 40's for its extravagance in building these new defense dwelling units. Some developments such as Tasker and Glenwood were equipped with "Community recreation halls, housing game and club rooms, and one with an auditorium seating 500"... "Tenants were furnished with garbage cans free. There were other frills such as razor blade traps, [and] locks instead of latches on interior doors". Some had large courtyards for use by the residents. Philadelphia's Housing developments were said to be the most expensive to build in the Nation. Private developers, and homeowners, were angry that these well-paid defense workers were living better than they were themselves. They argued that "the wage scale at the Navy Yard and the Frankford Arsenal averaged \$60 per week, according to organized labor estimates, and persons who made such a good livelihood here should buy Philadelphia homes and meet their share of the taxes for the city's upkeep".

Representative Hoffman, of Michigan, warned his Congressional colleagues that - "a nation of tenants is a weak nation". "When the war is over" he pointed out, "we will have a government with thousands, or hundreds of thousands of homes on its hands. People will be living in them. We will have a Government with millions of tenants. I do not know how these tenants are going to support

themselves - they cannot all be on relief. They will have no jobs. The jobs which caused the Government to build homes will be gone, for the emergency will be over. What is to become of the tenants? There is no way of escaping the conclusion that Government sub-sidizing housing has within it certain dangerous aspects which must be recognized and guarded against..."

The Housing Planner, Albert Mayer, at first envisioned war housing as a chance to arrange the American urban landscape attractively. Yet, as early as February 1942, Mayer registered deep misgivings about the drabness of many of the new, hastily-built defense housing developments. It was later admitted, in a book called "A vision of Modern Housing", that "Philadelphia's war housing experience demonstrated that Mayer's fears were well-founded. Of the five large, permanent housing projects built by the government in Philadelphia, only the 700-unit Abbottsford Homes featured distinctive architecture and a carefully landscaped setting...[the others] were at best unimaginative."

Representative Hoffman, of Michigan, was proven right too. When the war ended, the government was left with hundreds of thousands of unemployed, or underemployed, public housing tenants. The living conditions in these developments were allowed to deteriorate. The term "projects" took on a very undesirable connotation, and once again "slums" were created. The residents of Abbottsford Homes, and other public housing developments were not so 'proud' anymore.

Concerned residents began to organize, and with the assistance and training of public housing activists, Bertha Gilkey of St. Louis, and Kimi Gray of Washington, D.C., the U.S. Department of Housing and Urban Development (HUD) began to take note and to provide opportunities for Resident Management.

#### ABBOTTSFORD HOMES TENANT MANAGEMENT CORPORATION

In June 1987, the tenant council began leadership development training as part of Philadelphia's Tenant Management Demonstration Program. This was followed by resident management training in January 1988, with the first phase of training successfully completed in September 1988. After various stages of training in which approximately 100 residents were involved, on May 1, 1991, Abbottsford Homes became the first resident-managed housing community in the state of Pennsylvania.

Abbottsford Homes Tenant Management Corporation is governed by an elected Board of Directors. All nine board members are also residents of the Abbottsford Homes community. Clara Rushing was the first president of the Board of the Directors. To maintain communication between the tenant council and the residents, a block captain is elected from each of the 70 buildings. Another important aspect of resident involvement under this new management structure is the 15 committees, staffed by volunteers and headed by

elected chairpersons. The committees which must consist of at least five members each, have been formed to address specific areas of interest such as youth, recreation, beautification, education, childcare, and security.

Abbottsford Homes Tenant Management Corporation is a not-for-profit 501(c)3 corporation formed by the residents of Abbottsford Homes to assume the management responsibilities of their public housing community in the East Falls section of Philadelphia. In 1988, the Abbottsford residents incorporated into a Tenant Management Corporation. In May 1991, the residents were recognized as the first tenant-managed public housing development in the Commonwealth of Pennsylvania.

Abbottsford Homes is a low-rise development consisting of seventy (70) structures containing seven hundred (700) one, two, and three bedroom apartments. Unlike many of the other public housing developments in the city of Philadelphia, Abbottsford Homes is excluded from other residential buildings and retail markets providing goods and services. It is bordered on three sides by large commercial and manufacturing establishments, and bordered on the other side by a six-lane, fence-enclosed national highway. The boundaries of the community are represented by Fox Street on the east, Roberts Avenue on the South, Henry Avenue on the West, and Abbottsford Road, and Roosevelt Boulevard on the North.

Throughout the time-frame from the mid 1980's until present, the Board of Directors, as well as numerous other residents, have been actively involved in implementing strategies to overcome the many challenges such as drugs, crime, and scarce resources. The residents are united to, once again, make this community a place where they are proud to live.

Following, are some of the accomplishments of Abbottsford Homes Tenant Management Corporation.

#### 1. ABBOTTSFORD COMMUNITY HEALTH CENTER

The Abbottsford Homes Community Health Center opened its doors on July 20, 1992, and has experienced great success in providing on-site primary care to public housing residents in the Abbottsford community. This first in the history of Philadelphia public housing was the result of collaborative efforts with Resources for Human Development.

Aside from caring for the ill, they provide immunizations for the children, administer pre-natal care, and assist drug and alcohol abusers in entering into detoxification programs. In response to needs expressed by the residents, the Health Center has also initiated the following programs:

- \* Group therapy for recovering substance abusers (meets twice per week)
- \* A support group for grandparents raising their grandchildren
- \* An exercise class meeting three times a week

- \* An informal rap session for adolescents called "Teen Circle".
- \* A support group for battered women
- \* A smoking cessation class

The success of our Community Health Center has led to additional funding to open a satellite community health center at the Schuylkill Falls public housing community.

2. SECURITY - AHTMC has hired Top of the Clock security as the community security force to provide security for residents, and we were able to reduce the overall crime statistics 28% (and falling) from 1991 to December 1994 (especially in areas of major crime). Under the direction of Brother Na'im Beyah, sixteen (16) security officers have been assigned to patrol the Abbottsford community grounds from 2pm to 6am daily. They are also on call for emergencies, for special meetings, and for all social activities at the Community Center.

3. SOCIAL SERVICES - AHTMC has also implemented an on-site Social Services program which is run by four full-time staff persons, and volunteers from among our residents. They handle all social aspects of tenant management, such as our emergency food program, counselling, education, recreation, the summer food program, and referrals for various other services. They organize and assist the various committees, and prepare grant proposals to solicit funding for additional programs.

4. ACT NOW - AHTMC went into partnership with a local organization called Tabor Children Services, and received funding from the PEW Foundation, a private foundation to provide on-site drug counselling and a teen pregnancy counselling program, called ACT NOW. ACT NOW (Abbottsford's youths Coming Together NOW) also provides Homework help for the children, and arranges trips to plays, and to other recreational facilities for the youth of Abbottsford Homes.

5. SUPER GRANDPARENTS - Our Super Grandparents group continue to work hard with our children. They take the children to the zoo, and to plays. They also organize "Student Recognition Day" to honor the children who do well in school." They give out awards and make it a real time of celebration.

6. CHILD CARE CENTER - AHTMC has established a licensed Child Care Center for pre-school children. This provides a safe, learning environment for the children, to allow parents peace of mind as they re-enter the job market.

7. COMPUTER LAB & TRAINING - AHTMC set up a state-of-the-art computer lab in our community center, and offered classes in Computer literacy, and leadership development. Sixteen residents have completed the training program, and the majority of these have found gainful employment. New classes are now being formed.

8. **LAUNDRY FACILITY** - AHTMC entered into a partnership with a private company to open an on-site laundry facility. This is our most recent economic development project. On May 3, 1995, we held a Grand Opening to celebrate this milestone.

9. **TRANSITIONAL UNIT** - AHTMC has renovated and furnished a vacant unit to serve as a Transitional Unit for residents who may have emergencies such as fires, or other serious damage to their current unit. This will allow them some sense of continuity as they struggle to put the pieces of their lives back together.

10. **SPORTS TEAMS** - AHTMC has organized several successful sports leagues in Basketball, Baseball and Football. Last year, 1994, many friends and local organizations donated funds to create a basketball court on our playground. We have one full court and one half court. Our Junior Basketball Team showed their appreciation by having a very successful year. They were awarded with a trip to New York, and a visit to the Apollo Theatre. Some of our youth also participate in the Drill Team, appropriately named Abbottsford's Pride.

11. **YOUTH JOURNALISM TEAM** - AHTMC has organized a Youth Journalism Team. The Youth receive professional training in Journalism and in Desk-Top Publishing, and they gather all the news and photographs for our monthly newsletter.

12. **RENOVATION & CONSTRUCTION** - AHTMC has received funding to implement a \$60 million renovation and replacement project at Abbottsford Homes. We have hired our own Project Manager to oversee the renovation and construction program. Residents of Abbottsford Homes are looking forward to this promised facelift, which will add to their growing pride (once more) in their community.

Attached are copies of some of the newspaper clippings that have been written about Abbottsford Homes recently.

Following, is our current Board of Directors:

Dorothy Harrell, President  
Edward Wilson, Vice President  
Elayne Robinson, Recording Secretary  
Eva Echols, Corresponding Secretary  
Vera Miller, Treasurer  
Clara Rushing, Assistant Treasurer  
Gwen Scott, Business Manager  
Georjean Brinkley, Alternate  
Daniel Brinkley, Alternate

For additional information regarding Abbottsford Homes Tenant-  
Management Corporation, you may contact:

Tenant Manager  
Abbottsford Homes Tenant Management Corporation  
3226 McMichael Street  
Philadelphia, PA 19129

(215) 844 1441

Thursday, March 16, 1995

# City contest spurs ideas for local revitalization

*Abbottsford Homes conceived a mini-mart. Now to find the money.*

By Marjorie Valbrun  
INQUIRY STAFF WRITER

Every time residents of Abbottsford Homes need to shop for food, they have to go outside their community to find a supermarket. Then they have to spend extra money on cab or bus fare to get their groceries home.

They're annoyed, to say the least. The management at the East Falls public-housing complex has another complaint — enterprising tenants who run businesses, such as barber-shops and beauty salons, out of their apartments to earn extra cash.

The two sides put their heads together and came up with a plan to help everyone: Construct a mini-mart, to be owned and operated by the complex's 3,000 tenants.

It would house a supermarket and retail space so tenants could shop close to home and budding entrepreneurs could operate their businesses legally and more profitably.

Now the Abbottsford Homes Tenant Management Corp. is looking for someone willing to finance the project and bring their vision to life.

Yesterday, the Abbottsford plan was one of five entries in the Neighborhood Visions contest chosen as examples of "the wealth of creative thinking" inside Philadelphia neighborhoods. It's an honor that does not guarantee the funding that organizations need, but one that could lure potential backers.

"It was a logical thing to do because this is a time of new thinking and new ideas on neighborhoods," said John Kromer, director of the city Office of Housing and Community Development.

Kromer sees the winning entries as more than just ideas. He says they are important solutions with the potential to bring powerful changes.

"This event is stimulating a lot of discussion," he said. "People will remember what they saw here and think about how to take them the next step to reality."

The contest was part of a three-day conference on neighborhoods and the global economy that ended yesterday. It brought together business, government, institutional and neighborhood leaders from around the country for discussions on development strategies, public policies and financing approaches that could help Philadelphia neighborhoods move into the next century.

At a time when government leaders are pushing self-sufficiency and federal programs are being cut back, community-inspired initiatives like those in the contest have taken on increased importance. They can bring in new jobs and spur economic development.

"The reality that we're facing is that most of these neighborhoods will not return to the way they were 100 years ago, when there was a lot of manufacturing and many jobs in heavy industries," Kromer said.

Economic conditions have steadily declined in city neighborhoods. Manufacturing jobs have dwindled, the population has decreased, demand for retail services has lessened, and housing has deteriorated. These phenomena discourage new businesses, and new residents from moving in.

"The days of massive urban renewal are long gone," Kromer said. "So the need is there to imagine the right combination of plans that will work for neighborhoods."

The Ogontz Avenue Revitalization Corp. is an example. Its winning en-

try would convert the old Penn Emblem Co. factory on West Oak Lane into a skills training center for the long-term unemployed and workers facing layoffs.

Penn Emblem left the neighborhood in 1994, taking with it 240 jobs that paid an average of \$11 an hour. The new center, to be called the Southeastern Pennsylvania Regional Employment and Training Center, would create an estimated 250 temporary and 50 permanent construction jobs and 25 apprenticeships and train hundreds of people annually, said Phyllis J. Mitchell, executive director of the Ogontz corporation.

"West Oak Lane traditionally has not had high unemployment. It's been a solid, working-class community," she said. "That has begun to change. We see signs of people losing jobs — jobs that may not have required a lot of skills."

"Now the work force requires, at a minimum, computer skills. Our vision is to stabilize the economy of West Oak Lane and provide opportunities."

Another contest winner, Universal Community Homes Inc., would bring a similar training center to South Philadelphia. This one would target teenagers who have dropped out of school or in danger of doing so.

"The concept of a neighborhood that's vibrant and productive is a contribution to the overall society," said executive director Abdur-Rahim Islam.

The Asociacion de Puertorriqueños en Marcha wants to bring a major supermarket chain and retail plaza to a whole block between Norris and Berks Streets and Fifth and Sixth Streets, a depressed area in North Philadelphia.

"We realized that housing alone and social services... do not keep a neighborhood alive," said Rose Gray, the agency's director of housing and community planning.

YouthBuild Philadelphia would like to help inner-city kids have more fun by building a water amusement park on one of the many abandoned lots clustered throughout North Philadelphia.

"I think it's a fun idea," said Taylor Frome, who came up with the unusual plan. "My hope is that somebody who does have the resources and the expertise to develop that type of project takes an interest in the idea, and runs with it."

The Philadelphia Inquirer

## Metro

Tuesday, July 12, 1994

Section

Nation's oldest  
bankruptcy cas  
resolution. B3.News in Brief  
The Score

Danyah Green holds her year-old son, Eric Jones, as nurse practitioner Winnie McQuinn examines him at the Abbotsford Community Health Center. Green, 37, says she was hesitant to visit the center. "I thought everyone would know my business."

## Easing the pain in an unlikely place

In the heart of a Phila. housing project: A model for health-care reform.

By Roger Smith

Abbott Green, a 37-year-old mother of two teenage daughters and their two children, does not have insurance for medical health care.

"I came here because this is where I am," she said, standing in front of a medical office created from three four-story apartments in the Abbotsford housing project.

The only medical clinic inside a public housing project in Philadelphia has been open since 1980, and it has been open since 1980. It also provides jobs for a dozen doctors, Abbotsford's first medical clinic, and teaches workers and other students.

But the Abbotsford Community Health Center could also stand as a model for health care reform, a study by the U.S. Surgeon General's office says.

Before the clinic opened, Abbotsford residents took all their medical problems to the Medical College of Philadelphia, a few blocks away across Market Avenue. That is typical of how many poor people get health care.

But it is an expensive inefficient way for medical institutions to deliver routine care. See CLINIC D-13



Margie Casen directs Abbotsford's Supergrandparents program, where she rewards children for school achievements and grandparents for keeping them motivated.

## Insol hospi lines a buy

Sacred Heart h with one of its doctors. Others make bids, tho

By Jeff De

An agreement of a reached between the Sacred Heart Hospital and a Heart physician who vert the Harrison's physical-rehabilitation hospital's bankruptcy yesterday.

In another develop Marjorie Margolis, Phil said her office alleged Medicare and by Sacred Heart's for-tore, Margolis-Merr had asked the last Office of the U.S. Health and Human Se-tigate the hospital's sudden closure.

Sacred Heart Hosp 14, collapsing under a \$20 million debt. Wals were aware for facility's dire finan-cial \$70 employees were hour's notice of the Francis J. Marriot bankruptcy lawyer, a accepted a \$4.1 million director of Sacred ment of Physical Med-itation. The sale at-tached on local approval and does con-tinued socie-ties.

Bonner's offer for the \$10 million he Montgomery Hospital has bought him about down. Marriot phone interview yet announced that for an agreement of Sacred Heart caught Monty spokeswoman Beth I by surprise.

"We have not been ley said when reach yesterday afternoon. generic officials wen section, which abou days.

"It was our saddest situation would be section," she said. Bonner could not comment.

It is hoped that ab will come forward a





# Freshman sensation is prepared to win in University City, Mastbaum matchup

By Samuel Davis  
Irbane Correspondent

University City head coach Lurline Jones said there was a "drift package" when her 5-10 freshman sensation Shawnetta Steward joined the team last fall. "She, like my other fine freshmen, had this urgency to win," coach Jones said.

"She has shown me from day one that she doesn't care what it takes to win, she wants to simply be a part of the University City Jaguars family and win it all."

In Sunday's Girls Public League Championship game (3 P.M. at the Philadelphia Civic Center), Steward, who's never tasted a high school title game, will have the chance to reveal her luggage

against the Mastbaum girls varsity squad, which includes scoring neckline guard-forward Jennifer Rico.

At just a freshman, Steward's gifts are beginning to be put on display. She averages 18 points and 7 rebounds, along with 8 assists and she knows she's just beginning to reveal her portfolio filled with cross-over dribbles and running layups.

"I don't know how I just came up with certain shots," Steward said. "Yes, I do," she added with a smile. She then acknowledge she received some one-on-one assistance from former U-City star and All-American Yolanda Lancy and Lancy's brother Terrance Brown.

Lancy, who sat with Steward on the University City Jaguars bench last spring during the team's last to

then defending champs Mantia

For unveiling her gifts, Steward was recently named to the 1993 Public League All-City team.

She said the compliments and notoriety are nice, but winning

championships and putting University City back on top is important.

Luther Kling said, "my brother and I have been working with Shawnetta for a while and while she is still learning the game, she has some incredible skills at her age."

In the summer of 1991, Shawnetta, then just 12 1/2 years old, was able to begin developing her skills in coach Jones' Developmental Basketball League (DUL), where many eyes were on her.

"As Shawnetta continued to grow, I thought she was before her time," said Little Vaughn, president of the East Coast High School Basketball League and the owner of a local high school hoops scout-feral program.

"She does things on the floor that I once saw Dawn Staley (former DuPonts Tech and women's collegiate All-American) do."

For unveiling her gifts, Steward was recently named to the 1993 Public League All-City team. She said the compliments and notoriety are nice, but winning champion-

(Continued on Page 6D)



Audrey Evans, 63, gets a hug from her granddaughter Nyeema Evans, 6, during the "celebration of grandparents." Nyeema's face was painted by one of the three clowns at the event.

## Parenting — all over again

**GRANDPARENTS** have 31 faces painted by a clown, and shouts of "Grandma, Grandma!" compete with loud circus music. But the light-mood masked the heavy burdens carried by the mostly gray-haired group.

"There's a lot of joy to raising grandchildren, but there's also a lot of stress," said Cason, whose own four children range in age from 27 to 35. She complains that her lack of a personal life is unfair, but quickly adds that the decision to raise the children wasn't difficult.

"She had to protect her grandchildren," she said. "So they wouldn't turn out to be a statistic. . . I might have a nurse or a doctor or teacher or something," said Cason, who lives in Abbottsford and is an outreach worker with the Abbottsford Community Health Center.

Many of the grandparents took over parenting duties because the children's parents had problems with drug or alcohol abuse, event sponsors said. In other cases, AIDS or imprisonment of a parent prompted the grandparent to step in.

As the children played, their grandparents wrote letters to state representatives urging reform in custody laws.

Grandparents tend to receive far less in government services and assistance than do foster parents, said Julia Danzy, director of social services planning for City Council. "A lot of grandparents become poorer," tapping their Social Security benefits to also support a child, Danzy said.

It took public agencies and organizations several years to discover the new role of grandparents, said Stefanie Fleischer Seldin, a volunteer who was Kin Can's coordinator when it was founded about a year ago. By the time Kin Can came into existence, the grandparents and other relatives had on their own formed 12 support groups around the city, she said.

More than 60,000 children in Philadelphia are being raised by relatives other than their parents, according to an estimate by Kin Can. Nationally, about 12 percent of all African American children live with grandparents, and in nearly half the cases, the mother isn't present, according to a Census Bureau report released last week. About 3 percent of non-Hispanic white children live with

grandparents, the report says.

And it's not always a grandmother who steps in — something that Jerome J. Finch says most people don't realize.

Finch, 54 and separated, says his 12-year-old granddaughter came to live with him when she was 2. He got legal custody when she was 4. The child's mother, Finch's daughter, died about five years ago from what Finch called her "hard-core" drug abuse.

He said the circumstances forced him to ease into the role of parent. "I kept on baby-sitting. Then the days got longer and longer and longer" as his daughter didn't show up to pick up the child.

Finch, or Grandpop, as he's called, said it's more difficult for a grandfather than a grandmother to step in as surrogate parent. For example, there are some questions that his adolescent granddaughter asks that he doesn't have the answer to because he's a man. Such questions are answered after he calls a female friend for advice.

This granddaughter is a good student, running for class office in seventh grade. She wants to go to college to become a lawyer. He doesn't let her out without adult supervision. "It's so bad out there. And she doesn't understand the risks," he said.

Despite the sacrifice, the answer should be clear for any grandparent considering taking over the parenting of grandchildren, Cason said. "Do it. Give the kids a chance."

### Wild Card Lotto jackpot to be at least \$1.3 million

**HARRISBURG** — Tuesday's Pennsylvania Wild Card Lotto jackpot will be worth at least \$1.3 million because no player matched all six winning numbers drawn in Friday's game, a lottery official said.

The winning numbers were 04, 06, 18, 40, 43 and 46. The wild card number was 30.

## 2. History of Abbottsford Homes and AHTMC

Abbottsford Homes is a low-rise development consisting of seventy (70) structures containing seven hundred (700) one, two, and three bedroom apartments.

Abbottsford Homes Tenant Management corporation (AHTMC) is a not-for-profit 501(c)3 corporation, that was formed by the residents of Abbottsford Homes to assume the management responsibilities of their public housing community in the East Falls section of Philadelphia, Pennsylvania. In 1988, the Abbottsford Homes residents incorporated into a Tenant Management Corporation. In May of 1991, the residents were recognized by the state of Pennsylvania as the first tenant-managed public housing development in the Commonwealth of Pennsylvania.

Abbottsford Homes Tenant Management Corporation (AHTMC) is governed by an elected Board of Directors. All Board members are also residents of the Abbottsford Homes community. To maintain communication between the Board of Directors and the residents, a block captain is elected from each of the seventy (70) buildings.

Another important aspect of resident involvement under this new management structure, is the various committees, staffed by volunteers, and headed by elected chairpersons. The committees which must consist of at least five members each, have been formed to address specific areas of interest, such as youth, recreation, beautification, education, childcare, and screening.

Abbottsford Homes Tenant Management Corporation (AHTMC) is efficiently managed utilizing a staff of qualified professionals, and including many residents. The departments include Finance, Occupancy, Maintenance, Design & Construction, and Social Services.

We have managed a substantial amount of funds over the past four years, and we are about to embark on a Comprehensive Modernization (Comp-Mod) project, with funds in excess of \$25,000,000 being entrusted to our Management team.

Throughout the time-frame from the mid 1980's until present, the Board of Directors, as well as numerous other residents, have been actively involved in implementing strategies to overcome the many challenges such as drugs, crime, and scarce resources. The residents are united to, continue making this community a place where they are proud to live.

The site plan of Abbottsford Homes on the following page indicates the spread of one, two, and three bedroom units throughout the site.

## PLANNING PHASE

### 1. AFFIRMATIVE ACTION PLAN

#### A - DESCRIPTION OF THE SPONSOR

Abbottsford Homes Tenant Management Corporation (AHTMC) is the tenants taking control of their lives. We replaced Housing Authority's management with tenants who have management training. In turn, it allows public housing residents greater control over their lives and living conditions. Tenants elect other tenants to a tenant management corporation which oversees the management of Abbottsford Homes, creates policies & programs and employ a site manager. Since 1991, AHTMC has been a legal entity under contract with the Philadelphia Housing Authority to provide specific management services. The elected members of the tenant corporation requires its board members to assume greater personal and legal responsibility for their actions and productivity. AHTMC assist Abbottsford residents to gain a greater role in the operation of on-site services and programs such as; a day care center, social services and job training center, health center, laundromat, site beautification programs, crime patrols and other social and business enterprises.

#### AHTMC LIST OF ACCOMPLISHMENTS AND ACHIEVEMENTS

- AHTMC sponsored the renovation of a new, full-service, health care facility that is staffed by many Abbottsford residents.
- AHTMC helped facilitate the receipt of a Pew Foundation grant. The \$184,000 is implemented by Tabor Child Services for at-risk Abbottsford youth. The grant is for 2 years and will serve over 90 youths so that they can surmount problems of substance abuse, juvenile delinquency, and teenage pregnancy.
- AHTMC provided food referrals for over 60 needed residents who have experienced emergency food problems, and have several food distribution programs that have served hundreds of Abbottsford residents.
- AHTMC provided facilities for a Summer Enrichment program for Abbottsford youth which is being administered in the Community Center, over 80 youth have benefited from this educational, cultural, and play-oriented program.
- AHTMC initiated a mural painting project on the front facade of the Health Center, the program was done by the Anti-Graffiti network using several Abbottsford youth.
- AHTMC wrote a successful HOPE I grant to HUD, the \$318,000 grant will allow Abbottsford residents to enter the realm of HOME OWNERSHIP and to better control their destiny.
- AHTMC have developed plans and facilities for a full-service laundromat that will be a desirous amenity for all Abbottsford residents.
- AHTMC have helped sponsor two summer breakfast/lunch programs that have helped meet the nutritional needs for many Abbottsford youths.

- AHTMC sponsored a basketball league over the past two summers that enabled many Abbottsford residents to experience directions, discipline, enjoyment of wholesome recreational activities.
- AHTMC have sponsored numerous anti-drug activities including a unique Youth Entrepreneur Business.

## **B - DESCRIPTION OF THE PROJECT**

Abbottsford Homes, a 700-unit, low rise, housing development is situated in North Philadelphia. Located adjacent to Interstate 76 and surrounded by warehouses, a reservoir and two large medical institutions. This development has been tenant-managed by Abbottsford Homes Tenant Management Corporation (AHTMC), a nonprofit entity since 1991. In the past no economic infrastructure has involved to support and service this 3,000 residential community. Given the extent of unemployment and the lack of retail service in the neighborhood, there is a strong and growing need to develop neighborhood based retail/commercial services and create economic opportunities for Abbottsford Homes residents.

AHTMC is proposing an on-site Food Store to service drive and walk-in traffic within Abbottsford Homes. Approximately 50% of the 3,000 residents at Abbottsford Homes are elderly with no private transportation. Also, there is no convince grocery store, supermarket or other shopping opportunities within a short walking distance. This situation places a serious hardship on many Abbottsford residents. The nearest shopping district is Manny's Stop-n-Shop, which is approximately 25 minutes one way walking distance.

The proposed building to be converted and redesigned is located at the Northeast corner of the Abbottsford Homes site at the intersection of Fox street and Abbottsford Avenue. The two story building requires complete demolition of the existing interior partitions in order to be remodeled into a Food Store first floor. For code required occupancy of the second floor, two new fire stairs would be needed at the furthest ends of the building. All new interior partitions, floor surfaces, mechanical and electrical systems will be required.

AHTMC has control and acquisition of existing residential units, already de-programmed, that are targeted for this development. AHTMC is proposing an on-site Food Store to service drive and walk-in traffic within Abbottsford. Approximately, half of the residents, some of them elderly, have no private transportation. Also, there is no grocery store, supermarket or other shopping opportunities within a short walking distance. This situation places a severe hardship on many Abbottsford residents. The nearest shopping district is Manny's Stop-N-Shop which is approximately 25 minutes walking distance. The goals contained in the following sections represent AHTMC commitment to maximize local residents participation and business utilization throughout the development of this project.

## **C - PROJECT COSTS AND FUNDING SOURCES**

AHTMC, with its successful track record, proposes to initiate the pre-development work necessary to develop this project. The pre-development activities will include, a needs assessment, a market study,

resolution of zoning issues, a physical analysis of the site, a financial feasibility analysis and a preliminary environmental assessment. AHTMC will apply private sector perspectives and expertise to guide this project. Independent consultants will be utilized to undertake the work associated with this pre-development project phase.

A conservative cost estimate for the total hard and soft cost for physical improvements to the selected, existing building would be between \$100 to \$130 per square foot.

The proposed building for the Food Store/Mini-Mall is 3102 Abbottsford Avenue located at the intersection of Fox street and Abbottsford Avenue and contains approximately 6,600 square feet within two stories. The plan for the first floor is a Food Store and the second floor will be developed for other commercial usage. Specially, AHTMC proposes to identify other tenant businesses such as barber shop, hair/nails salon, gift shop, cards and sports shop.

Currently the funding source for pre-development is the Philadelphia Department of Commerce in the amount of \$42,000.

#### D - NEIGHBORHOOD BENEFIT STRATEGY

##### 1. Project Summary

AHTMC has site control of building #71, at 3102 Abbottsford Avenue, Philadelphia, PA 19129. An existing 6 units residential building. The building has been deprogramed by HUD and zoning approval.

##### 2. Goals for Hiring, Subcontracting and Purchasing

The goal is to return 50% or more of the project's economic value to the local community through employment, contracting and supplies purchasing. Efforts to achieve neighborhood benefit will focus foremost on the immediate zip code of the project, which is 19129 secondly, on the adjacent zip codes, 19132, 19133, 19140 and 19144, then lastly on the larger Philadelphia county area.

As part of AHTMC's mission to maximize employment opportunities for community residents, of which an overwhelming number who are minority and female, we will work to achieve a 50% return to the community through a variety of related activities. Specifically, AHTMC will utilize its personnel's department Job Bank list for job applicants. AHTMC will screen all applicants (documenting address, income, skills etc.) and develop a referral list for related construction opportunities. AHTMC will also monitor the hiring activities during construction. We also want the contractors to sponsor individuals from the community for union apprenticeship which will lead to greater job stability. AHTMC is working with job training programs in partnership with the Labor Union Local 332.

AHTMC Development Team will consist of African American Headed Architectural Firm, Marketing Firm, Engineering Firm located in Philadelphia.

Consistent with our commitment to promote local disadvantaged business participation, AHTMC will award subcontracts and supply purchase agreements to businesses located in the community and surrounding area. AHTMC will use the MBEC directory, OHCD's database of contractors and other resources to identify local area businesses. AHTMC procurement department do conforms to HUD, Federal, State and City requirements.

AHTMC Development Team will be soliciting from African American Firms. As part of the pre-development and development activities, AHTMC intends to solicit for the following professional services: marketing, architecture, structural engineering and environmental assessment. In addition, AHTMC will select the general contractor for this project through a comprehensive bid process. AHTMC will notify OHCD at each stage of the development. The selection process should begin in approximately 2 months, and all appropriate agencies will receive advance notice.

AHTMC will play an active role in maximizing subcontracting opportunities for neighborhood businesses. Local businesses will be notified about upcoming bid meetings and will receive plans and specification documents. AHTMC will work with the General Contractor, where feasible, to reduce contracting requirements so that smaller contractors can bid on work. AHTMC hopes to negotiate joint ventures between local contractors and major firms throughout this project. Finally, AHTMC will use a listing of M/WBE firms that will participate in our Phase 1, Comprehensive Modernization Program.

### 3. Community Outreach Efforts

As stated above, AHTMC will work with the Settlement and CIO to conduct job fairs for local residents. We will identify qualified firms through various directories and word of mouth. AHTMC has a personnel staff to facilitate training and employment for Abbottsford residents.

## E - AHTMC's ANTI-DISCRIMINATION PLAN FOR DISADVANTAGED BUSINESSES

As is common with many public agencies who receive federal funds, AHTMC is obliged to monitor its vendors to measure the economic impact of its spending and procurement activities. In fact, both the City of Philadelphia and HUD has regulations or Executive Orders, which specifically address affirmative action and WBE/MBE issues. The AHTMC is required to take affirmatives steps by 24 CFR Part 85.36 to assure that small and minority businesses are utilized as a source of supplies, equipment, construction and services. The Procurement Handbook for Public Housing Agencies (7460.8), the Public Housing Development Handbook(7417.1), the Comprehensive Grant Handbook (7482.1), and the CIAP Handbook (7485.1 REV.4), also indicate the required use of minority contractors. AHTMC have established a goal of 50% or more MBE participation and 20% WBE participation on this project.

### 1. Methods of Achievement

- a. The Procurement Officer will actively seek qualified MBE and WBE firms to add to the vendors list. To this end the Procurement Officer will periodically advertise for prequalification of vendors who supply services used by AHTMC.

AHTMC Development Team will consist of African American Headed Architectural Firm, Marketing Firm, Engineering Firm located in Philadelphia.

- b. All vendors who respond to or seek prequalifications to do business with AHTMC will fill out a **Vendor Information Form**. This form requires detailed information on ownership or corporate control as well as a breakdown of the ethnicity of the vendor's workforce.
- c. Whenever possible large dollar RFPs and IFBs will specifically encourage the use of MBE and WBE firms. It will be standard practice that the Factors for Award will include consideration of MBE or WBE firms participating in a procurement through subcontracting plans.

## 2. Tracking of Affirmative Action

a. The Procurement Officer is responsible for maintaining a **MBE/WBE Contracting and Vendor Log**. This log is for the purpose of documenting total dollars awarded to either qualified prime contractors or subcontractors and total dollar spent at prequalified MBE/WBE vendors. In addition, the Procurement is to periodically review vendor information for prequalified vendors or contractors. These reviews can include site visits to verify work force composition.

## 3. Minority Training

It is the policy of the AHTMC to encourage vendor and contractors to engage in minority training programs. For vendors and contractors whose ownership or corporate structure prevent them from being approved by the Minority Business Enterprise Council.

As a MBE or WBE owned or controlled firm, the inclusion of a minority training plan as part of a bid or proposal will entitle that bidder to half of the Factor for Award points available for WBE or MBE status. However, the Procurement Officer must feel confident that the vendor's or contractor's organizational capacity is such as to guarantee success of such a program. The AHTMC can require periodic progress reports on training activities to be included with any billings from vendors or contractors.

## F - COMMITMENT STATEMENT:

AHTMC hereby agree to comply with all Federal, State and Local requirements including the following: Presidential Executive Order 11246, Section 3 of the HUD Act 1968, Governorial Executive Order 1987-18, Local Ordinance Chapter 17-500, Mayoral Executive Order 1-93, and

- 1) Section 3 Certification. (see attached page)
- 2) Executive Order 2-95 Certification Neighborhood Benefit Strategy. (see attached page)
- 3) Solicitation And Commitment Form (Bid)( MBEC). (see attached page)

## G - PROJECT BUDGET:

The following attached outline is the total development costs for a Food Store-Mini Mall at Abbottsford Homes.

**HPMA OPERATIONS/FAMILY ROWHOUSE MANAGEMENT**

**GRMC DUAL MANAGEMENT TRAINING**

<b>Chuck Lutz, Director of Operations</b>	<b>2 Hrs.</b>
<ul style="list-style-type: none"> <li>Overview of Operations</li> <li>PHMAP Review/Monitoring</li> <li>Overall Supervisory Review</li> <li>Operations Reporting Requirements</li> </ul>	
<b>Jan Hughes, Public Housing Manager</b>	<b>30 Hrs.</b>
<ul style="list-style-type: none"> <li>Overview of Vacancy/Occupancy Reporting reqmt's</li> <li>Monthly Field Activity Reports</li> <li><u>Supervisory Issues</u> <ul style="list-style-type: none"> <li>Hiring/Firing</li> <li>Performance Evaluations</li> <li>Disciplinary Action</li> <li>Employee Recognition</li> </ul> </li> <li><u>General</u> <ul style="list-style-type: none"> <li>Liability Issues - reporting</li> <li>Supervisor's Accident Reports</li> <li>Worker's Comp reporting</li> <li>After hour emergencies; Staffing/Contracting</li> <li>Procurement                             <ul style="list-style-type: none"> <li>preparation of spec's</li> <li>soliciting bids</li> <li>W/MBE Contracts</li> <li>awarding contracts</li> <li>monitoring contracts</li> </ul> </li> <li>Section 504 Regulations</li> </ul> </li> </ul>	
<b>Chris Ulberg, Human Resources</b>	<b>1 Hr.</b>
<ul style="list-style-type: none"> <li>Worker's Compensation Overview</li> <li>reporting requirements</li> <li>claims</li> <li>maintaining logs</li> </ul>	

/jah

**FAMILY/OPERATION-FIELD OFFICE  
GSMC; DUAL MANAGEMENT PHASE**

February 6, 1995

**ADMINISTRATIVE**

The Lease and Enforcement Lease Termination	(4 hours)	Manager
Certifying Tenant Files	(2 hours)	Manager
Utility charges	(2 hours)	Secretary
Move-in / Move-out Transfers - Paperwork	(4 hours)	Secretary
Inspections - in/out Annuals - Showings	(4 hours)	Manager/Management Aide
Performance Appraisals	(2 hours)	Manager
Work Orders Writing/Charging	(2 hours)	Manager

**TENANT/RESIDENT-RELATIONS**

Neighbor Complaints Meetings/Write-ups	(2 hours)	Manager
Tenant Referrals	(1 hour)	Manager

**TOTAL CUMULATIVE HOURS = 2992. 30 HOURS**

...reviewed your description, organizational charts and the Management/Maintenance Plan. The documents are well prepared, detailed and typifies the excellent work your team has produced. I have made some notations and suggested changes to the documents and submit to you the following evaluations, rankings and suggested pay levels for five positions you are considering for your organization:

Position Title	Executive Director		Property Manager		Office Manager		Management Technician		Maintenance Technician	
	Lev.	Pts.	Lev.	Pts.	Lev.	Pts.	Lev.	Pts.	Lev.	Pts.
Factor										
Knowledge Required	9	1715	4	460	4	460	2	275	2	275
Effect of Actions	6	630	3	285	3	285	2	220	2	220
Job Complexity	5	485	2	220	2	220	2	220	1	170
Work Controls	4	175	2	105	2	105	1	80	2	105
Contacts	4	200	2	115	2	115	1	90	2	115
Hazards	1	150	1	150	1	150	1	150	3*	225
Physical Effort	1	100	1	100	1	100	1	100	3*	170
Surroundings	1	30	1	30	1	30	1	30	3*	50
Supervisory Authority	4	165	3	125	0	0	0	0	0	0
Units Supervised	5	175	2	75	0	0	0	0	0	0
Total Points	3,825		1,665		1,465		1,165		1,330	
Grade	5		1		SNE		2NE		4NE	
Beginning Rate	\$33,816		\$24,720		\$22,860		\$18,084		\$21,168	
Range Maximum	\$47,676		\$34,824		\$32,220		\$25,524		\$29,832	

1001 WASHINGTON AVENUE NORTH • MINNEAPOLIS, MINNESOTA 55401-1043

INFORMATION HELP LINE: (612) 342-1999

PHONE: (612) 342-1400 FAX: (612) 342-1407 TTY: SECTION 8/(612) 342-1474, RENTAL/(612) 342-1415

EQUAL EMPLOYMENT OPPORTUNITY / EQUAL HOUSING OPPORTUNITY





1995

1995

5014

Subject		Inspector			
1	2	3	4	5	6
	3	4	5	6	7
	Maintenance Training PM + MB Tenant assist ET + ED				
	8-12				
9	10	11	12	13	14
	Maintenance Training PM + MB Tenant assist ET + ED				
	8-12				
15	16	17	18	19	20
	Maintenance Training PM + MB Tenant assist ET + ED				
	8-12				
23	24	25	26	27	28
	Maintenance Training PM + MB Tenant assist ET + ED				
	8-12				

1995

1995

August

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Maintenance Building MW	2 Family operation field office full staff 8-12	3	4	5
6 Maintenance Building MW	7 Family operation field office full staff 8-12	8 Maintenance Building MW	9 Family operation field office full staff 8-12	10	11	12
13 Maintenance Building MW	14 Family operation field office full staff 8-12	15 Maintenance Building MW	16 Family operation field office full staff 8-12	17	18	19
20 Maintenance Building MW	21 Family operation field office full staff 8-12	22 Maintenance Building MW	23 Family operation field office full staff 8-12	24	25	26
27 Maintenance Building MW	28 Family operation field office full staff 8-12	29 Maintenance Building MW	30 Family operation field office full staff 8-12	31		



1995

1995

October

3 Sunday	4 Monday	5 Tuesday	6 Wednesday	7 Thursday	8 Friday
1	2 Maintenance Training Family Office Field Office Full Staff 8-4:30	3	4	5	6
8	9 Maintenance Training Family Office Field Office Full Staff 8-4:30	10	11	12	13
15	16 Maintenance Training Family Office Field Office Full Staff 8-4:30	17	18	19	20
22	23 Maintenance Training Family Office Field Office Full Staff 8-4:30	24	25	26	27
29	30 Maintenance Training Family Office Field Office Full Staff 8-4:30	31			

**SECTION 3 CERTIFICATION****TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES FOR BUSINESS  
AND LOWER INCOME PERSONS**

- A. The project to be assisted under this Request is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.
- B. Notwithstanding any other provision of this Request, the applicant shall carry out the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary set forth in 24 CFR Part 135 (published in 38 Federal Register 29220, October 23, 1973) and all applicable rules and orders of the Secretary issued thereunder prior to the execution of a Redevelopers Agreement. The requirements of said regulations include but are not limited to development and implementation of an affirmative action plan for utilizing business concerns located within or owned in substantial part by persons residing in the area of the project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by Section 3; and incorporation of the "Section 3 clause" specified by Section 135, 20(b) of the regulations in all contracts for work in connection with the project. The applicant certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.
- C. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Secretary issued thereunder prior to approval by the Government of the application for this (agreement) (contract) shall be a condition of the Federal financial assistance provided to the project binding upon the applicant, its successors and assigns. Failure to fulfill these requirements shall subject applicant, its contractors and subcontractors, its successors, and assigns to the sanctions specified by the Redevelopment Agreement and to such sanctions as are specified by 24 CFR Section 135.135.

\_\_\_\_\_  
DATE

X  
\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME (Type or Print)

\_\_\_\_\_  
TITLE

**EXECUTIVE ORDER 2-95 CERTIFICATION  
NEIGHBORHOOD BENEFIT STRATEGY**

Pursuant to Executive Order 2-95 issued by the Mayor of Philadelphia on January 31, 1995, each project sponsor, developer, or builder working on a housing or community development project that is funded by OHCD or DOC or their designees, whether such project is financed in part by HUD funds, certifies and covenants:

- A. That to the greatest extent feasible, opportunities for training and employment arising in connection with the planning, construction, rehabilitation, and operation of housing assisted under such projects shall be given to persons of low and very low income residing in the areas of such projects; and
- B. That to the greatest extent feasible, contracts for work to be performed pursuant to such projects shall be awarded to business concerns including individuals or firms doing business in the field of design, architecture, building construction, rehabilitation, maintenance, or repair, that are owned by, employ or otherwise provide economic opportunities to low or very low persons income residing in the areas of such projects:

Furthermore:

- 1. Project sponsors, developers, or builders receiving OHCD or DOC funds for housing and community development projects are encouraged to establish a goal of employing low and very low income neighborhood area residents at fifty percent (50%) or more of the aggregate number of new hires associated with these projects.
- 2. Project sponsors, developers, or builders are encouraged to establish a goal of awarding fifty percent (50%) or more of the aggregate value of all construction contracts and service contracts associated with these projects to neighborhood area businesses.

These goals should not be construed as requirements, quotas, set-asides, or a cap on hiring or contracting with low and very low income individuals and businesses. However, the goals, if met, constitute a safe harbor for project sponsors, developers, and builders on the issue of compliance with this order.

Neighborhood Benefit Strategy certification is required by all project sponsors, developers or builders submitting proposals in response to this Request. The respondent certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.

DATE \_\_\_\_\_

X  
SIGNATURE \_\_\_\_\_

NAME (Type or Print) \_\_\_\_\_

TITLE \_\_\_\_\_

**SOLICITATION AND COMMITMENT FORM (BID)**

NAME OF BUSINESS		DATE OF BID OBTAINED	
<p>MINORITY (WBE) FEMALE (WBE) AND DISABLED (WDBE) OWNED BUSINESSES</p> <p>List below ALL WBE/WDBE/DBE that were solicited regardless of whether a commitment resulted therefrom. — Photocopy this form as necessary.</p>			
<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> DSBE		GIVE REASON(S) <input type="checkbox"/> YES <input type="checkbox"/> NO COMMITMENT	
COMPANY NAME	TYPE OF WORK OR MATERIALS	DATE SOLICITED BY PHONE BY MAIL	COMMITMENT MADE YES (if yes, per cent) NO
ADDRESS		QUOTE RECEIVED YES NO	AMOUNT COMMITTED TO DOLLAR AMOUNT \$
CONTACT PERSON			PERCENT OF TOTAL BID %
WDBE CERTIFICATION NUMBER			
<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> DSBE		GIVE REASON(S) <input type="checkbox"/> YES <input type="checkbox"/> NO COMMITMENT	
COMPANY NAME	TYPE OF WORK OR MATERIALS	DATE SOLICITED BY PHONE BY MAIL	COMMITMENT MADE YES (if yes, per cent) NO
ADDRESS		QUOTE RECEIVED YES NO	AMOUNT COMMITTED TO DOLLAR AMOUNT \$
CONTACT PERSON			PERCENT OF TOTAL BID %
WDBE CERTIFICATION NUMBER			
<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> DSBE		GIVE REASON(S) <input type="checkbox"/> YES <input type="checkbox"/> NO COMMITMENT	
COMPANY NAME	TYPE OF WORK OR MATERIALS	DATE SOLICITED BY PHONE BY MAIL	COMMITMENT MADE YES (if yes, per cent) NO
ADDRESS		QUOTE RECEIVED YES NO	AMOUNT COMMITTED TO DOLLAR AMOUNT \$
CONTACT PERSON			PERCENT OF TOTAL BID %
WDBE CERTIFICATION NUMBER			

<sup>1</sup> MBE/WBE/DBE listed above must be certified by the City prior to bid opening.

**Reserves**

Operating Deficit Fund  
Development Contingency  
Tax & Insurance Escrow  
Social Support Services  
Other  
*SubTotal*

Total Development Costs
-------------------------

Total Sq. Ft.
---------------

Total Development Costs per Sq. Ft.
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Construction Cost per Sq. Ft.
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**Project:****Development Costs****Construction Costs**

General Requirements

Site Improvements

Structure Renovation

Bond Premium

Other

Construction Contingency

**Total Construction Costs****Soft Costs**

Architectural - Design

Architectural - Supervision

Engineering

Construction Management

Environmental Assessment

Consultant Fees

Survey

Security

Real Estate Taxes

Construction Insurance

Title &amp; Recording

Accounting

Cost Certification

Rent-Up/Marketing

Furniture &amp; Decorating

Tax Credit Application Fees

Development Fees

Other

**SubTotal****Financing Fees**

Loan Application

Loan Fees - Construction

Loan Fees - Permanent

Construction Interest

Other

**SubTotal****Total Soft Costs****Property Acquisition**

PART ONE CRIME COMPARISON IN THE ABBOTSFORD HOMES

1. Listed below are the Part One Crimes reported to the Police for the periods specified.

	5/90 TO 4/91	5/91 TO 6/92	7/92 TO 4/93	5/93 TO 4/94	5/94 TO 9/94
HOMICIDE.....	1	1	0	0	0
RAPE.....	5	3	0	0	0
ROBBERY.....	12	5	5	6	2
AGG. ASSLT....	19	15	9	6	6
BURGLARY.....	16	40	6	8	5
PURSE SNATCH..	1	0	0	0	0
THEFTS.....	1	1	2	2	1
TH. FR. AUTO...2	2	1	1	4	2
AUTO THEFTS...6	6	16	8	5	2
<u>ATT. AUTO.....</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
PERIOD TOTALS...	64	82	31	32	16

This report compiled and produced by P/O Bruce Augustine #1295,  
Northwest Police Division Computer Information Officer, 10-11-94

cc: Captain John Downs #153, 39th Police District  
Lieutenant Michael Beck #154

## ***TOP OF THE CLOCK SECURITY & PROTECTION SERVICES***

To: Abbotsford Homes Tenant Management Corporation (AHTMC)

From: Abdullah F. Sams, TOTC Personnel Department

### **THE FOLLOWING IS A MONTHLY REPORT OF ACTIVITIES OF T.O.T.C.**

Month: APRIL

Year: 1996

#### **Report:**

**Abandoned Vehicles:** For the month of APRIL TOTC turned in ( 2 ) abandoned vehicle reports to management.

**Bldg. and Grounds Inspection:** There were also ( 0 ) maintenance concerns turned into management for the month of APRIL.

**Incident Reports:** In (month) APRIL, there were ( 4 ) incident reports submitted to management regarding occurrences and disturbances on the property . (See statistical data .) There was/were 0 arrest made on the property in the month of APRIL (See note).

**Incoming Calls:** TOTC officers received ( 6 ) in-coming calls from residents of Abbotsford. Of these calls, ( 1 ) were directly related to incidents on the property. TOTC security officers dispatched ( 0 ) calls to the police and ( 0 ) calls to the fire department in the month of APRIL.

#### **Community Relations:**

A) TOTC and AHTMC Social service Department has maintained weekly correspondence in an effort to effectively plan and execute community related organizing and social activities.

**Community Relations cont.:**

B)

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C)

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Note :

( 1 ) arrest was/were made in the month of APRIL.Individual Arrested: SHAWOI YANCEYDate of Arrest: 4/17/96Charge: SEXUAL ASSAULT**Summary Of Incidents**(Month) APRIL**Classification of Incidents:**

Hospital Case ..... ( 1 )

Harassment ..... ( )

Simple Assault ..... ( )

Public Drinking ..... ( )

Minor Disturbance (Inside)..... ( )

Vandalism (Under \$500.00) ..... ( )

Arson ..... ( )

Disorderly Conduct.....( )

Narcotic Selling ..... ( )

**Summary Of Incidents**(Month) APRIL**Classification of Incidents:**

Disturbance (Outside) ..... ( )

Investigation of Auto.....( )

Occupants ..... ( )

Assault ..... ( 2 )

Man with a Gun ..... ( )

Investigation of Premises.....( )

Robbery ..... ( )

Theft ..... ( )

Gambling ..... ( )

Alcoholic Beverages.....( )

Disorderly Conduct /  
Failure to Disperse.....( )

Burglary .....( )

Aggravated Assault.....( )

Offense Involving  
Danger to Person..... ( )Robbery of  
Motor Vehicle ..... ( )

Mobile Accident ..... ( 1 )

Power Outage ..... ( )

Arrest ..... ( 1 )

**Total # of Incidents.....( 4 )**

ms/c:reportmt

COX & ASSOCIATES CPAs, P.C.  
TASK ORDER NO. 006  
UNDER CONTRACT NO. DU100C000016729  
U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
DELIVERABLE NO. 3  
ABBOTSFORD HOMES - PHILADELPHIA, PENNSYLVANIA

*Cox & Associates CPAs, P.C.*  
*Draft - January 4, 1993*

## ABBOTTSFORD HOMES: AN ISLAND OF HOPE

Introduction

Abbottsford is a 700-unit housing development situated in North Philadelphia just off an interstate highway and surrounded by long established businesses in the Philadelphia community, including a nearby hospital which serves the residents. Their island status both physically and operationally has been both by design and out of necessity. The residents explain that in many ways they are like a small town, with an estimated population of 3,000, and that their goal in assuming management of the property was to succeed at self sufficiency. What they wanted was a better life, a safer life, and to see the dreams of their children fulfilled.

One resident who has lived in Abbottsford for 27 years explained that she lived through the change from a high quality, physically attractive, safe development to a dilapidated, drug-infested, crime-ridden neighborhood. Where children had once played on their swings and see-saws and passed footballs had become overrun by crack-users and sellers passing drugs. These areas had been dubbed "The Gully" or "Piper's Pit" in the days before resident management. The picket fences that some neighbors tried to erect to protect their lawns and gardens went unnoticed and unattended in the wake of vandals and unwanted pedestrian traffic.

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Mothers and fathers taught children to remember the sounds of gun shots and how to get on the floor whenever they heard those sounds; families looked at television upstairs sitting on floors for fear that a random bullet might strike someone during nightly shootouts. The hope that had long been characteristic of many residents moved away with those who could not take it any longer. One resident explains that of the 24 families on her block only 6 stayed. But with the improvements since resident management, many of those same residents now call asking how they can return to Abbottsford.

The children now play again on their swings and see-saws; where Piper's Pit once was is now a \$1.2 million health center established through a joint venture with an outside health group through special grant funds. The picket fences are back and whitewashed; some residents have painted the building fronts of whole blocks. Board members and residents speak with pride about the fact that now they are no longer treated with disrespect when they go to the neighboring hospital for routine and nonemergency care. In fact, the hospital now has shown greater interest in Abbottsford resident as a client population. A business entrepreneur program has been started for young people aged 15 to 21 through a cooperative agreement with Temple University. One of the residential units serves as the Department of Social Services where residents can do one-stop shopping. Prior to resident management they had to leave their neighborhood to access social services traditionally spread across the city. The services on

site include filling out applications for services for which they are eligible as well as support groups for crisis management, youth recreational services, and other community activities.

Description of Property Before and After the TMC

The Abbottsford Homes, a 700-unit low-rise buildings in Philadelphia, Pennsylvania, has been managed by residents since 19  . Prior to resident-management, residents had to live under deplorable conditions. Tall weeds and broken and unpainted fences outlined the building; debris encompassed the dirt-filled grounds; and, graffiti covered the walls. But since the inception of the TMC, residents began taking immediate control of their property. They mended and painted fences and mowed lawns; kept the grounds litter-free; reduced over 70 percent of the graffiti; and, had the streets paved at no cost.

Table 1  
Physical Condition of Site

BEFORE AHTMC	AFTER AHTMC
Tall weeds, broken fences	Mowed lawns, painted fences
Littered grounds	Cleaner grounds
Unpaved main street	Paved main street at no cost
Graffiti covered buildings	Reduced over 70% graffiti

As the result of resident management, maintenance has improved dramatically as reported by management and residents. An on-site

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management superintendent assisted by 17 to 21 persons (one for every 33 units) provide round-the-clock maintenance, and the department is automated. Residents explained that they found some 600 to 700 maintenance problem slips (work orders) behind a desk on a floor when they assumed management and most of these were attended to within the first year of the TMC. One resident recalls that plastering work that she requested to be done seven or eight years ago was found, and as soon as the maintenance was available to do so they performed the work. A preventive maintenance schedule has been established with five teams to provide families with training.

Although the response time has not improved significantly due to high rates per month and back log, the TMC has addressed the problem by having available five teams of mechanics and laborers to handle routine work. The goal of the TMC is to respond to routine and nonroutine work in three days and address emergencies in 24 hours.

The cost savings to the housing authority as a result of the residents serving as the maintenance staff is seen in the following table as follows:

**Table 2**  
**Maintenance Cost Savings to Housing Authority**

Indicator	Cost Savings
Eliminated one trash day	\$2,300.00
Residents involved in cleaning grounds, reduced need for staff	\$1,000.00
On site superintendent	Reduced emergency overtime hours by 20%
Increased manpower from 17 to 21 persons (one per very 33 units)	Long term
Purchased modern equipment	Long term-work more effectively
Automation of maintenance to track, schedule and evaluate maintenance work orders and staff performance	Reduced person hours

Vacancies have gone down in the development (only 10 percent now compared to 21 percent before the TMC); whereas, elsewhere they are up (per Board and manager's report). And, with pride, the manager and Board report that rent collections have also increased (from 70 percent to 75 percent per month before the TMC to 85 percent to 90 percent under the TMC). Automation of the collection process, management deposits to their bank of choice, and a site based legal counsel to handle eviction proceedings are other improvements. In addition, screening occurs by residents for prospective residents. It should be noted that although drugs are not wanted in the community, residents emphasize that drug users or

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former drug users are not penalized for their problem (i.e., put out or screened out) as long as they are being rehabilitated or treated.

Table 3  
Occupancy and Vacancy Rates, Rent Roll Increases,  
and Average Rent per Unit Before and After TMC

Indicator	Before TMC	After TMC
Occupancy Rate of 700 units	550 (79%)	633 (90%)
Corresponding Vacancy Rate	21%	10%
Rent Roll Increase		\$7,102.00
Rent Roll Collection	70%	85%
Average rent per unit		\$134.00

The grounds have also improved as evident in the remark of a community activist from another housing development upon approaching Abbotsford: "Whew, there was a time when you would come around this bend and there would be trash piled high and deep up along this fence. Now look at it, you can see the grass; you would not believe it. We need more of this!"

Management and residents explain that since the addition of on-site security vandalism and damage to property has also been reduced. A significant event talked about both with pride and controversy by all interviewed has been the hiring of the NOI

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security force (Nation of Islam). Before this, the complex had not had security guards in 15 years. Some residents complained that the NOI Security were too strict (e.g., requiring that they not drink alcoholic beverages on their front porches).

A local newspaper reporter, an aide from a Congressman's office, the federal officials interviewed as well as the Board and residents all report this mixed acceptance of the NOI. However, on balance all agree, too, that the NOIs presence is largely responsible for the observable changes (improvements) at Abbottsford--i.e., cleaning up Piper's Pit, senior residents now walk the streets day and night, youth are in off of the streets and more involved in their academic studies, and families can watch television in their living rooms again).

Table 4  
Decrease in Crime Adds to the Quality of Life

Source	Impact
Reports to 39th police district	30% decrease
Manager's office reports and security reports	70% decrease
Since hiring security force	Only 2 crimes (July 1992) reported
Communications from area institutes and businesses	Crime in area has "decreased significantly"

One resident says while the youth are off the street the seniors are back on the street and that this has contributed immensely to the quality of life. For instance, adult members, including seniors now walk to the community center for community meetings and this has resulted in more involvement by the residents as a whole and not just fallen to the Board to get things done. This same resident explains that she too was afraid of the NOIs; she did not want them there teaching her son "that stuff, but now [her] son benefits" from seeing positive role models and having other things to do than hang in Piper's Pit. She says "I thought I was going to lose my son to the streets but since the NOIs has been here he now wants to be a businessman; I can be here at the Board house more since he's home more into his books more, getting good grades; he's home by 10; and since he's been run off the corner he thinks differently now." Both Board and nonBoard residents reported greater curfew compliance without enforcement since resident management. (The city has a curfew ordinance).

In response to the NOIs hiring, the development received challenges by some community leaders which resulted in a radio talk show program devoted to the controversy. The radio talk show became a rallying cry, the residents explain that "the whole city came alive." One Board member went on to say that in contrast "while we were going to training through rain, sleet and snow no one covered us, only our families supported us, but when controversy struck we received more media attention than we ever

could have hoped for. We are people trying to change our lives, our communities and now the whole city knows it." [Abbottsford is the only resident managed corporation in the state.]

**Table 5**  
**Security Cost Savings to the Housing Authority**

Indicator	Savings
On site security, 24 hours, seven days a week	Reduced vandalism and other damage to occupied and vacant units
Obtained drug elimination funds to pay for security	Elimination of drug trafficking related to improved occupancy rates
	Offset impact on operating budget

NOTE: Prior to TMC no guards for 15 years, housing authority policy was not to have security at low rise sites.

#### Training Technical Assistance

Through an extensive committee structure non-Board residents are involved in the corporate decision making and develop leadership skills. Although little training has been afforded to date for residents to develop such skills, funds are available in their grants to do so. In the earlier days (pre-corporation), the Tenant Council (now Board) was successful in providing: cooking classes, tutoring, food emergency program, and mental health fund for emergency help, and a scholarship fund for higher education for development youth (the resident manager went to college under this

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program); and in 1985-86 the development graduated its first GED class. This same investment in youth continues with the Young Entrepreneur program mentioned earlier and continuing GED courses for adults. The Food emergency program also still continues. Mental health services are provided through the social services unit and new health facility. The Board was also instrumental in getting a city resolution to change the terminology from "Housing Project" to Housing "Development" or "Community."

#### Resident Self-Sufficiency

Opportunities for economic, personal, and professional development that have grown out of the corporation include positions on staff in the resident management corporation (e.g., the director, who lives on site, is a former resident who grew up in Abbotsford and whose mother was on the Board and attracted him back from a well paying position in corporate America to head up Abbotsford, the maintenance supervisor and assistants are residents, and residents are given consideration for training and employment by contractors selected to rehabilitate the properties or provide services). Some residents have also been moved off of AFDC (welfare) rolls as a result of employment opportunities provided by the TMC: 4 are on the AHTMC staff, 6 are employed at the Health Center, 3 are employed through the Teen Program, and 33 have had temporary positions through various construction contracts let by the AHTMC.

Table 6  
Number of AFDC (Welfare) Recipients Hired

Employment Site	Number Hired
AHTMC Staff	4
Health Center	6
Teen Program	3
Construction Contracts	20 (temporary)
<b>TOTAL</b>	<b>33</b>

Table 7  
Other Employment Opportunities or Indicators  
of Increased Employment Status for Residents

10 youth (aged 15-21) in Entrepreneurship Program
Increased average rent roll per unit per month (\$134); indication that average household income is higher
Future projects expected to yield over 100 new opportunities through rehabilitation project, mini-market, and child care center

Plans are underway for a \$26.3 million rehabilitation project through funds obtained through CIAP. Future plans include a store, laundromat, child care center, and beauty parlor. These efforts are expected to result in over 100 new jobs for residents. The Board was extremely proud of the over 100 resumes that had been "fax-ed," "Fed-X'd," and mailed to them for the Project Director position to manage the rehabilitation project. Representatives of

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surrounding businesses will be brought in on an Advisory Board to connect with everyone around to keep the community thriving.

### Conclusion

All of this progress has not been without struggle. The Board recounted the hard times when other residents did not understand the process or what their mission was, and the strong reaction they received from negative (criminal) factions in the complex. They endured fire bombings, threats on their lives, damage to their cars, and other emotional hardships to get to May of 1991 when they were granted the deed to the properties and were officially recognized as a resident management corporation. They countered with drug marches and were joined by other residents including young children and eventually arrested the drug problem. There is a continuing problem in the community of "speakeasies" (places that illegally sell alcohol) but NOIs and the Board are working on this. In all other respects the residents are satisfied with the changes.

So after years of preparation and planning and designing, Abbotsford residents are realizing their dreams and giving hope to their children. One resident said that she called the Board president one day with such joy and with tears in her eyes just to say "young men are in the gully playing baseball instead of passing drugs." With the completion of the \$26.3 million renovation, residents expect to increase their self-sufficiency as a community as well as assist individuals in self-development. Although with the addition of these new services and facilities, they expect to

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complete their goal of operating like a "little town," they are also building bridges from their "Island of Hope" that will connect them to the surrounding business community, the rest of Philadelphia, the State of Pennsylvania, and others interested in resident management.

COX & ASSOCIATES CPAs, P.C.  
TASK ORDER NO. 006  
UNDER CONTRACT NO. DU100C000016729  
U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
DELIVERABLE NO. 3  
ABBOTTSFORD HOMES - PHILADELPHIA, PENNSYLVANIA

**List of Respondents**

Ms. Carol Murask,  
Philadelphia Housing Authority  
105 South 7th Street, 4th Floor  
(215) 597-1118

Ms. Melinda Roberts,  
Philadelphia Housing Authority  
105 South 7th Street, 4th Floor  
(215) 597-1118

Mr. Mike Reed  
Assistant to Congressman Lucien Blackwell  
3901 Market Street, 1st Floor  
(215) 387-2543

Mr. Barnett Wright, Reporter  
The Philadelphia Tribune  
520 South 16th Street  
(215) 893-4080, extension 42

Ms. Ethel Wise  
Assistant to Ms. Bertha Gilkey

Mr. Wayne Hood, Resident Manager  
Abbottsford Tenant Management Corporation  
3226 McMichael Street  
(215) 844-1441

RMC Staff Focus Group

Resident and Board Focus Group

Other Respondents

Interviewers

Dr. Suzanne Randolph, Senior Analyst/Consultant  
 Mr. DeLacy Cox, Engagement Partner  
 Mrs. Terry Stephens, Project Manager

PHILADELPHIA, PENNSYLVANIA

MONTHLY MAINTENANCE REPORT FOR APRIL 19 96PROJECT NAME Abbottsford Homes

SERVICE REQUESTS ON HAND AT BEGINNING OF MONTH: 221  
 SERVICE REQUESTS RECEIVED DURING MONTH: 1048 TOTAL: 1269

SERVICE REQUESTS COMPLETED:

PLUMBING	<u>165</u>
STRUCTURES	<u>687</u>
ELECTRIC	<u>62</u>
HEATING	<u>31</u>
Exterminations	<u>48</u>
REFRIGERATORS	<u>0</u>
RANGES	<u>26</u>
PLASTERING	<u>0</u>
ELEVATORS	<u>0</u>
PAINTING	<u>0</u>
JANITORIAL	<u>0</u>
GROUNDS	<u>0</u>
MOTORIZED EQUIPMENT	<u>0</u>
MISCELLANEOUS	<u>0</u>
TOTAL:	<u>1019</u>

CHARGES DUE TO TENANT NEGLIGENCE: \$ 307.00  
 REQUESTS DUE TO TENANT NEGLIGENCE: 0

## HALL LIGHT BULBS REPLACED

EXTERMINATION: REGULAR: 50  
 MASS 0

MAINTENANCE MEETINGS  
 HELD: every thursday

## UNITS PAINTED:

EFFICIENCY	<u>5</u>	3 - BEDROOM	<u>9</u>
1 - BEDROOM	<u>5</u>	4 - BEDROOM	<u>0</u>
2 - BEDROOM	<u>6</u>	5 - BEDROOM	<u>0</u>

## PERSONNEL STATUS

## JUDGE APPROVED:

	<u>PRESENT</u>	<u>REASON FOR CHANGE</u>
<u>1</u> SUPERINTENDENT I	<u>0</u>	
<u>1</u> SUPERINTENDENT II	<u>1</u>	
<u>1</u> STONES CLERK	<u>1</u>	
<u>1</u> MAINTENANCE FOREMAN	<u>1</u>	
<u>1</u> LABOR FOREMAN	<u>1</u>	
<u>0</u> ENGINEER	<u>0</u>	
<u>0</u> SR. MECHANIC	<u>0</u>	
<u>9</u> MECHANIC	<u>9</u>	
<u>1</u> SR. MAINT. AIDE	<u>1</u>	
<u>2</u> MAINTENANCE AIDE	<u>2</u>	
<u>0</u> FIREMAN	<u>0</u>	
<u>9</u> LABORER	<u>9</u>	

## MAN HOURS LOST:

ANNUAL LEAVE	<u>136</u>
SICK LEAVE	<u>312</u>
LOST TIME	<u>44</u>
DEATH IN FAMILY	<u>0</u>
WOUNDED ON DUTY	<u>40</u>
PERSONAL HOLIDAY	<u>80</u>
JURY DUTY	<u>8</u>
	<u>12</u>

TOTAL HOURS: 620

## UNITS INSPECTED (Vocational)

## UNITS PREPARED FOR LEASING

## CONTRACT WORK COMPLETED:

## THE PHILADELPHIA HOUSING AUTHORITY

PHILADELPHIA, PENNSYLVANIA

MONTHLY MAINTENANCE REPORT FOR MAY 1996PROJECT NAME ABBOTTSFORD HOMES

SERVICE REQUESTS ON HAND AT BEGINNING OF MONTH: 250  
 SERVICE REQUESTS RECEIVED DURING MONTH: 780  
 TOTAL: 1030

## SERVICE REQUESTS COMPLETED:

PLUMBING	<u>110</u>
STRUCTURES	<u>1208</u>
ELECTRIC	<u>106</u>
HEATING	<u>57</u>
GLAZING	<u>0</u>
REFRIGERATORS	<u>0</u>
RANGES	<u>33</u>
PLASTERING	<u>34</u>
ELEVATORS	<u>0</u>
PAINTING	<u>      </u>
HAZARDOUS	<u>      </u>
FOUNDATIONS	<u>      </u>
MOTORIZED EQUIPMENT	<u>      </u>
MISCELLANEOUS	<u>      </u>
TOTAL:	<u>1548</u>

CHARGES DUE TO TENANT NEGLIGENCE: \$ 832.00  
 REQUESTS DUE TO TENANT NEGLIGENCE:       

HALL LIGHT BULBS REPLACED 20  
 EXTERMINATION: REGULAR: 30  
 MASS       

MAINTENANCE MEETINGS  
 HELD: every thursday

## UNITS PAINTED:

EFFICIENCY	<u>      </u>	3 - BEDROOM	<u>1</u>
1 - BEDROOM	<u>      </u>	4 - BEDROOM	<u>      </u>
2 - BEDROOM	<u>8</u>	5 - BEDROOM	<u>      </u>

## PERSONNEL STATUS

## JUDGET APPROVED:

	<u>PRESENT</u>	<u>REASON FOR CHANGE</u>
<u>1</u> SUPERINTENDENT I	<u>1</u>	<u>      </u>
<u>1</u> SUPERINTENDENT II	<u>1</u>	<u>      </u>
<u>1</u> STORES CLERK	<u>1</u>	<u>      </u>
<u>1</u> MAINTENANCE FOREMAN	<u>1</u>	<u>      </u>
<u>1</u> LABOR FOREMAN	<u>1</u>	<u>      </u>
<u>0</u> ENGINEER	<u>0</u>	<u>      </u>
<u>1</u> SR. MECHANIC	<u>1</u>	<u>      </u>
<u>8</u> MECHANIC	<u>8</u>	<u>      </u>
<u>1</u> SR. MAINT. AIDE	<u>1</u>	<u>      </u>
<u>2</u> MAINTENANCE AIDE	<u>2</u>	<u>      </u>
<u>0</u> FINEMAN	<u>0</u>	<u>      </u>
<u>9</u> LABORER	<u>9</u>	<u>      </u>

## MAN HOURS LOST:

ANNUAL LEAVE	<u>224</u>
SICK LEAVE	<u>236</u>
LOST TIME	<u>12</u>
DEATH IN FAMILY	<u>0</u>
INJURED ON DUTY	<u>16</u>
PERSONAL HOLIDAY	<u>32</u>
	<u>20</u>

TOTAL HOURS: 520

## UNITS INSPECTED (Vacant)

## UNITS PREPARED FOR LEASING

CONTRACT WORK COMPLETED:

THE PHILADELPHIA HOUSING AUTHORITY  
PHILADELPHIA, PENNSYLVANIA

MONTHLY MAINTENANCE REPORT FOR MARCH 1996

PROJECT NAME ABBOTTSFORD HOMES

SERVICE REQUESTS ON HAND AT BEGINNING OF MONTH: 0  
SERVICE REQUESTS RECEIVED DURING MONTH: 1343  
TOTAL: 1343

SERVICE REQUESTS COMPLETED:

PLUMBING 160  
STRUCTURES 832  
ELECTRIC 28  
HEATING 27  
GLAZING \_\_\_\_\_  
REFRIGERATORS \_\_\_\_\_  
RANGES 21  
PLASTERING \_\_\_\_\_  
ELEVATORS \_\_\_\_\_  
PAINTING 4  
JANITORIAL \_\_\_\_\_  
GROUNDS \_\_\_\_\_  
EXT. COMPLETED 50  
MISCELLANEOUS \_\_\_\_\_

TOTAL: 1122

CHARGES DUE TO TENANT NEGLIGENCE: \$ 295.00  
REQUESTS DUE TO TENANT NEGLIGENCE: \_\_\_\_\_

HALL LIGHT BULBS REPLACED

EXTERMINATION: REGULAR: \_\_\_\_\_  
MASS \_\_\_\_\_

MAINTENANCE MEETINGS  
HELD: every thursday

UNITS PAINTED:

EFFICIENCY \_\_\_\_\_  
1 - BEDROOM \_\_\_\_\_  
2 - BEDROOM 3

3 - BEDROOM 1  
4 - BEDROOM \_\_\_\_\_  
5 - BEDROOM \_\_\_\_\_

PERSONNEL STATUS

JUDGET APPROVED:

	PRESENT	REASON FOR CHANGE
1 SUPERINTENDENT I	1	
1 SUPERINTENDENT II	1	
1 STORES CLERK	1	
1 MAINTENANCE FOREMAN	1	
1 LABOR FOREMAN	1	
0 ENGINEER	0	
1 SR. MECHANIC	1	
8 MECHANIC	8	
1 SR. MAINT. AIDE	1	
2 MAINTENANCE AIDE	2	
0 FIREMAN	0	
0 LABORER	0	

MAN HOURS LOST:

ANNUAL LEAVE 232  
SICK LEAVE 84  
LOST TIME \_\_\_\_\_  
DEATH IN FAMILY 40  
INJURED ON DUTY 48  
PERSONAL HOLIDAY 8  
JURY DUTY 9

TOTAL HOURS: 412

UNITS INSPECTED (Vacated) \_\_\_\_\_

UNITS PREPARED FOR LEASING \_\_\_\_\_

CONTRACT WORK COMPLETED: \_\_\_\_\_

Mr. AKBAR. Congressmen—

Mr. SHAYS. I am just trying to figure out how far Poughkeepsie is from Stamford, it is about 45 minutes?

Mr. AKBAR. Poughkeepsie from Stamford is about 45 minutes, an hour at the most.

Mr. SHAYS. I think of it as a very suburban community. Does it have a small central city to it or—

Mr. AKBAR. Well, actually not, not in the last decade. It used to be somewhat a suburban area, until a lot of the New York City people started moving upstate regarding it as prime territory for drugs because it is a small city.

Mr. SHAYS. And how many public housing units might you have, and vouchers in the city?

Mr. AKBAR. We have 600 units.

Mr. SHAYS. So you would represent a smaller—and it is nice to have that kind of perspective. I just wanted to bring that out. Thank you.

Mr. AKBAR. OK. First of all, I would just like to acknowledge your efforts and applaud your efforts, and this goes for the entire Congress and actually I guess in this enlightened time goes for all the Members, all of our representatives on the Hill, to have such a strong stand and to realize that there needs to be a change within public housing, within housing within the country as we know it as social services or just as a free ride of services for incorrigible people.

I am going to read a little bit so I do not miss this, but then I am going to hit on some points that I think are key.

We are from Poughkeepsie, NY, of course, and we are the first dual management signer or group attempting to go into resident management in the State of New York.

Our concern with our local community has and still remains the show of genuine support of resident management corporations that work. While at the same time listening to the echoes of different building contractors, consultants, and program coordinators, local politicians waiting for the turn of the fiscal year in order to capitalize on the taxpayer dollars in the name of establishing better housing and better programs for our community. We think that establishing better housing with the existing system is of no substance, no substance at all.

While striving to achieve resident management, we have encountered a great deal of problems from the coercion or the—and pardon me for my hesitance here, this is really a sensitive issue with us because we are really striving and with resident management we are up and coming and there are a lot of benefits and economics and changes in the lives of our people that is taking place now, it is a wonderful metamorphosis that we consider a great achievement with resident management.

The PHA commissioners have taken a viewpoint that residents are incapable of understanding the direction they must take in order to improve their communities. It is because of this misnomer, residents who do want to enjoy decent, safe, and sanitary housing, voices and efforts have been muffled by partisan endeavors emanating from an apparent noninclusive institution commonly referred to as upper class and lower class. These are issues that have

been constantly raised at meetings that will allow us more leverage to address the violence, drugs, and constant violation of our leases. The board has rendered us powerless. A glaring example is the fact that many of our families' lives are on the line by identifying a known unit, one particular known unit in our development as a stop-n-cop for drugs, child neglect and illegal boarding taking place in this particular unit. To add insult to injury, this particular resident—and this is more or less giving a general overall depicting what happens in public housing sites—this particular resident was 6 months behind in rent.

When the director moved for eviction for nonpayment, the Poughkeepsie Housing Authority commissioners decided to get involved in the day-to-day operations of the housing authority, also as an attempt to undermine resident management, and stopped the eviction.

Right now as we know, public housing authority properties are in prime locations—

Mr. SHAYS. Let me just be clear. You are saying that the tenant management wanted to evict and the housing authority did not?

Mr. AKBAR. Yes. Well, the housing authority director wanted to, but the commissioners saw fit not to do so. There is an attempt to undermine resident management as it exists from the board and the director more or less is used as a pawn to keep their foot on the necks of the residents so that resident management would not be successful.

Mr. SHAYS. So, what I am hearing you say is that sometimes the problem can be with the executive director who may simply not want to see tenant management and sometimes it can be from the commissioners themselves.

Mr. AKBAR. Absolutely.

Ms. GILKEY. Or a combination of both.

Mr. AKBAR. Or a combination. And in this particular instance where the director is very concerned for her job, she kind of goes along with whatever is the pull and at this particular moment, her job was being threatened, she had received a letter from the Chair.

Mr. SHAYS. She technically is hired by the board to fulfill the wishes of the board within the certain guidelines provided.

Mr. AKBAR. Absolutely.

So, along with this conspiracy against resident management in our particular community, it emanates from the mayor and city council down to the board. Even with the appointments that the mayor makes to the board, the city council itself, who is getting involved with the day-to-day operations of PHA administration, they take the position of undermining the need for us to address the problems in our community that we may maintain and making our community a safe and decent place for us to live. Now our properties are of major concern to the developers in our community to build several other businesses in these particular areas. We have suffered on numerous occasions relocation of our people from one place to the other and at taxpayer expenses in the name of model city and other moneys that come into the city to develop the properties for the poor only to have the poor move out and so-called higher class people come in and we are moved into other locations.

Unfortunately, there has been a gross misuse and neglect of funds that were earmarked to help the stabilization of our community. One particular instance involved in the 1984 CIAP grant in the amount of \$14 million that was earmarked to remodel and build more units in our development. Numerous change orders were made resulting in the use of inferior parts and materials. Shockingly, we found out that replacement parts were nonexistent and no longer manufactured. Shoddy workmanship resulted—and mind you, these are new units, \$14 million and this is only a 162-unit site.

Mr. SHAYS. Sometimes the challenge is if you do not spend enough money to make it quality to start with and sometimes they had enough money and they did not use the money well.

But we had a situation in Bridgeport, where HUD was going to pay us \$18 million to do poor high rises, to renovate them and we said no to them. They were shocked that we would turn down \$18 million, but it cost \$26 million to do it right. And we did it right rather than not do it. We put up nice fencing, concrete walks, not asphalt, that kind of thing.

Mr. AKBAR. In this particular instance, Congressman, what happens is the contractors view housing authority as a seed in a big pod, they are like vultures.

Mr. SHAYS. I hear you.

Mr. AKBAR. And they come after the housing authorities, understanding that they have this money. And with the lack of concern and initiative that housing authority commissioners take to come out to the sites—also our local HUD, who was supposed to have field managers come out when they were building to view and make sure that these moneys are being spent right, make sure the proper work is being done, the contractors recognize that there are nonexistent people here to make sure of what is going on, so they can make change orders to their benefit of course of getting inferior materials and therefore pocketing and making a big profit.

[The prepared statement of Mr. Akbar follows:]

DATE: June 3, 1996

Sub-Committee: On Human Resources and Intergovernmental Relations  
Christopher Shays, Connecticut Chairman Room B-372  
Rayburn Building, Washington, D.C. 20515

Speaker: Muhammed Akbar, President of Hudson Gardens RMC

Dear Congressman,

Greetings Chairman Shays and committee members. My name is Muhammed Akbar. I am president of Hudson Gardens RMC in Poughkeepsie, New York. First of all, I would like to acknowledge your efforts and strong commitment to change the existing bureaucracy that hinders real human economic potential. Our concern with the local community has and still remains the show of genuine support of resident management corporations that work. While at the same time listening to the echoes of building contractors, consultants, program coordinators and local politicians waiting for the turn of the fiscal year in order to capitalize on taxpayer dollars in the name of establishing better housing with programs of no substance. While striving to achieve resident management, we have encountered many obstacles. PHA commissioners have taken the viewpoint that residents are incapable of understanding the direction they must take in order to improve their communities. It is because of this misnomer, residents who do want to enjoy decent, safe and sanitary housing, voices, and efforts have been muffled by partisan endeavors emanating from an apparent noninclusive institution commonly referred to as the upper class and lower class. These are issues raised at our

meetings that will allow us more leverage to address the violence, drugs, and constant violations of our leases, the board has rendered us powerless. A glaring example is the fact that many of our families lives are on the line by identifying a known unit in our development as a stop-n-cop for drugs, child neglect, and illegal boarding. To add insult to injury, this resident was six months behind in rent. When the director moved for eviction for non-payment the Poughkeepsie Housing Authority Commissioners decided to get involved in the day to day operations of the housing authority and STOPPED THE EVICTION, thereby undermining the director and the RMC. These actics are also encouraged by the local City Council and the Mayor who actually conspired together against resident initiatives for better and safe public housing. Unfortunately, there has been gross neglect and misuse of funds that were earmarked to help with stabilizing our community. One particular instance involved the 1984 CIAP Grant in the amount of of \$14 million dollars that was earmarked to remodel and build more units in our development. Numerous change orders were made resulting in the use of inferior parts and materials. Shockingly, we have found out that replacement parts are non-existent and no longer manufactured. Shoddy workmanship resulted in bathroom sinks and kitchen cabinets that were not securely anchored on the walls and continuously fell off their moorings. Roofs constantly leaked causing considerable damage to ceilings and walls. These damp conditions created a breeding ground for mold and mildew that infiltrated each and every unit in our

complex. Faulty equipment, inferior materials and shoddy workmanship by various contractors were rewarded with overcompensation of tax payers dollars and additional contracts with the Poughkeepsie Housing Authority instead of these contractors being indicted for gross neglect and the squandering of taxpayers dollars.

After being fed up with these intolerable conditions the residents secured a sixty-seven thousand dollar grant in order for us to receive resident management leadership development skills training. This training enabled us to receive the necessary training to take charge of our own destiny by becoming skillful managers of our site. We selected Ms. Bertha Gilkey after watching a segment on 20/20 highlighting the resident management success story of 1230 N. Burling RMC in Chicago. We knew Ms. Gilkey was the person we needed to help us address our problems. The Hudson Gardens Tenants Association hired Urban Women Inc to provide the resident management training. The process of confirming the contract became difficult when the local HUD R.I.C. person called us into his office and began spewing out unwarranted, biased reasons that were not pertinent to the criteria of selecting a technical assistance consultant. This person overlooked the tremendous successes that Ms. Gilkey had achieved in training RMC's for dual and full management of their sites. Not to mention, the fact that Ms. Gilkey's consulting firm, Urban Women Inc was the lowest responsible bidder. The constant haggling with the Poughkeepsie Housing Authority and the local HUD office prolonged the procurement process which should have only taken one

month or two months maximum, dragged on for over six months. Finally, because of our persistence, they relented, and we were able to hire the consultant of our choice. The training we received from Ms. Gilkey was comprehensive in scope; it covered necessary HUD policies and procedures, OMB circulars, CFR's and PHA policies. With our newfound skills, we became very effective in convincing the community that we wanted to better our living conditions. While addressing many issues troubling residents' personal lives, we also addressed the issue of illegal tenancy. As a result non-payments dropped from 45% collections to 8% in just 4 months time! Invisible residents became legal and were listed on leases which increased the revenue generated from rent collections. Residents began taking a greater interest in their community by participating in "Neighborhood Clean Sweeps".

A major metamorphosis is now taking place. Evidence of this metamorphosis can be seen in a rise of our voting turnout. Our voting percentile rose from 16% to 89%. Homeowners nearby were writing letters and forming complaint coalitions against our development and at one point they were threatening to sell their properties. Now our RMC has formed a collaborative relationship with the homeowners that keeps us abreast problems areas that need to be addressed. This new approach has resulted in a decrease of crime at our site and many heartfelt thanks from the homeowner's and death threats by gangs and drug dealers on my life because of my networking with local police and religious organizations to rid our development of their negative presence.

As a result of my tenacious efforts to eradicate our community of drugs, the gangs and dope dealers decided to make an example of me in a dramatic display of their territorial claim to our neighborhood. They shot my cousin holding his newborn, one month old infant daughter right in front of my window with a double barrel shotgun. This bold display of aggression only heightened my resolve to work more vigorously towards our vision of a safer community.

With eight months of training towards resident management we only have 4 months left before our RMC signs our full management contract. Our RMC has secured private dollars to help fund our community center in order to establish independent living skills, job readiness programs, GED, and a daycare center which is adjacent to our center. These programs will enhance the residents marketability in the workplace and provide the latitude to create entrepreneurial services thereby stimulating economic self-sufficiency.

We pray that your consideration and continued support of resident management enlightens you to the vast potential this concept offers public housing residents.

Mr. SHAYS. Let me do this. Let me open it up for some questions from Mr. Towns. Then we will get to the other panel and we might get you all back here. Mr. Towns, do you have some questions you want to start with?

Mr. TOWNS. Sure do.

Let me first thank all three of you for your testimony and I commend you for the hard work and your strong sense of community and the kind of leadership that you are providing.

Let me begin with you, Ms. Gilkey. Last November, you said that for residents to address longstanding issues of bad housing authorities, they must have independent sources of funds.

Ms. GILKEY. Uh-huh.

Mr. TOWNS. Do TOP grant funds provide residents any leverage to address housing problems ignored by public housing authorities?

Ms. GILKEY. Yes, they do. Congressman, it is impossible for one to say to low-income people who lack the corporate—and because that is where ultimately they have to move to—the corporate skills to run a \$1 or \$2 million corporation. It is impossible for us to perceive that you can take people who cannot even develop an agenda because they have not been in that kind of an area, they have been in an arena of just surviving, and suddenly these residents are elected, duly elected let me say, by a third party, independent party, League of Women Voters. And Congressman Shays needs to know that, that there is a national regulation—in fact, it is a HUD regulation—that now requires all duly—all resident management groups and resident council groups must go through a democratic third-party election.

Also, in those regulations, it requires that residents must be in good standing and that good standing means that people who have sordid pasts cannot run for that resident management board and/or for the resident council board.

But let me just move a little further to explain to you why it is so important that the tenants receive the training. The training dollars must be there and what also must be there that is not there, Congressman, is the housing authority must be removed out of the process of the training. We have found when the housing authority, even when the tenant group, gets the TOP money directly, the housing authority finds a way to undermine the process, to drag on the training or to complicate it or even I have found housing authorities who have gone down and organized the gangs against the resident management groups to guarantee its failure. Or they go down, similar to what they did in Brother Muhammad's site, and the incorrigible tenants who are selling drugs, rather than the housing authority supporting the executive director's position and the resident management group who has to live with those incorrigible tenants but have said in my neighborhood you will not. You would think that the housing authority would embrace that. No, no, no, they go and get with the incorrigibles, allow them to stay there so they become a permanent thorn in the backs of the resident management group who is learning how to take control of their community, they have got to learn the theory, Congressman, and then they have got to learn the actual application in order to successfully manage.

Public housing tenants are no different than Claire of the housing authority in Cleveland. Claire did not walk in being an executive director of a large apartment complex, she had to learn the complicated HUD procedures, she had to learn the theory of public housing and the actual application of that. Residents in public housing are capable of learning that and in fact they have a more vested interest than Claire because we live there. It is no different than when you live in a neighborhood and you own your home, you have a stake in that community, not just in your home but in the entire community because it all affects your ability to live there. That kind of stake, Congressman, has never been given to poor people, and that is what I am angry about, that people only perceive us as a people who need to be taken care of, that we do not have the capacity or the capability or the ability to be trained to take care of ourselves.

Now I am not a new girl on the block. I understand that people make money, millions of people are employed off of the backs of the poor. I have called them poverty pimps. They encourage us every day, they tell us you cannot do it, you are not capable, you can only be a property manager, you can only be a day care provider, you can only help bake the cake, you can grow the wheat, we need you to do that, you can pull the wheat up, you can beat the wheat into flour, you can make the wheat into bread, you can bake the bread in the oven, but when we sit down to eat it, you cannot eat it because you are not capable of that. It reminds me of slavery, reminds me of the plantation. We can work the plantation but we cannot manage it, nor can we own it.

How dare you, public housing tenants, think that you could ever achieve the capacity of managing and God forbid you to ever think you can own anything in this country, because you know your place and your place is to be poor. And not only is your place to be poor, it is your place to make sure your children stay poor so America's learning institutions can send people through school to learn how to take care of you.

Well, that is over and that is dead. We do not care what Congress says, we do not care what the Senate says, we do not care what the mayor, the Governor or anybody else says. We are going to participate in this democracy, we are going to guarantee quality housing for our children because we are going to manage it and we are going to own it. And the only way we can move to that point, Congressman is that the people have got to be given the opportunity to learn the theory and the application of management. And that is what this is all about, but you cannot think that the housing authority is going to come in and work themselves out of a job so they become an albatross. HUD said it, we are dealing with a case right now in Minnesota—let me use a classic example. Minnesota, Glendale, beautiful development, sits—totally occupied even with their gang problems—sits right next door to some homeowners who are committed to that community. This group has spent almost \$400,000 to seek training in resident management, \$250,000 from a private foundation and another \$200,000 or more from TOP and from HUD funds. But yet—and they have been in training now for 10 to 15 years, have not achieved resident management yet and the executive director of the housing authority

has publicly stated they will not, she does not care what the law says. HUD has been in there to act as an arbitrator, she refuses to arbitrate.

Let me give you another example—we spent close to 250,000 of your dollars to place this group into resident management, the housing authority supported the proposal, yet with the understanding they did not ever intend for the group to ever manage.

You have got a situation in Chicago—let us flip it. Here we have got Cabrini Greens, 900 units. They have been in training 8 months, they have only spent \$30,000 of the TOP funds, they signed a management contract for \$4 million in July. This group has spent \$250,000 and have not achieved resident management.

And what I am saying is that the resident management group can do all the things and what the housing authority has done, any of the tenant leaders who have pursued resident management in Minnesota, have been forced out of the development, the gangs have threatened them, physically beat them, the housing authority has not intervened in any way or any manner; if they did, they intervened after it happened to make sure that the tenant management group got the reprisal from the opposing group.

And I guess what frustrates me is—and that is why the TOP/TAG funds are important but it is important that they be taken from—and any Comp Mod funds or CDBG funds that are for technical assistance that comes through the housing authority, those dollars have got to clearly be unattached to the housing authority, because if the housing authority has control—or in the regulations you have got to say even if you use Comp Mod funds, if you use CDBG funds or drug elimination funds to train residents or go into resident management, that the resident management group makes the final decision on the technical assistance, the TA person, the consultant who trains them, and that a third party, independent party, would come in and that party could be made up of the university, particularly urban studies, a successful private property management group and somebody from the national HUD will come in—along with the resident management specialist—and evaluate if that group can successfully manage.

What happens, Congressman, even after the staff is hired, people quit their jobs, they go through the training, they learn the theory, they learn the application, they are doing it, they are turning around vacant units, they do not even have a contract yet, they are reducing the vacancies, they are increasing employment, they are—all the leases that are behind, they have caught up all the leases. They have done all the work that the housing authority has not been able to do in their management position, the RMC's have done it through training. When they get to signing a contract, the housing authority says you are not ready, we are not going to sign.

Mr. TOWNS. Let me ask you this then—let me get to Ms. Harrell—

Mr. SHAYS. Have you had any word in while I have been gone? [Laughter.]

Mr. TOWNS. I am learning.

Mr. SHAYS. I was only gone for a few minutes and you already lost control. [Laughter.]

Mr. TOWNS. I told them you took the clock with you.

Ms. Harrell and Mr. Akbar, earlier in your testimony we heard the fact that there are a few people around the country that has charisma that will be able to provide leadership, but when you sort of look at this—this is what we have heard around Washington, when we sort of look at this on this sort of national kind of scope, you are dreaming, that we can get tenant management to do the kind of things of course that Bertha Gilkey and a few other people around the country have done. Do you feel really that there are only a few people that can sort of provide the kind of leadership that you all are providing, or do you think if they are trained a lot of folks would be able to do it?

Ms. HARRELL. Me personally, I feel that with the proper training and the heart—you have to have the heart and the compassion to want to do this work in the first place, OK? It is difficult to respond in the mannerism that I feel that you want to hear, but let me say it to you the way that I feel.

No matter where you live, it is going to be 5 percent negative and 95 percent positive. Out of those 95 percent people that are positive, there is someone there that has a vision, I heard Mr. Shays say a dream—we all have dreams but a lot of times, we do not have the monetary things to make that dream come true. Most people that I do know, which is quite a few, have dreams, they just do not know-how to implement them, how to get the resources to do them. So any poor person that has lived in poverty, given the chance, given the training, given the proper treatment—and when I say proper treatment, what I mean is do not look down on me.

See, the project, as they call it, which it upsets me because I live in a development, a community, but the project, they say people from the project do not have—I was not born in a project. Neither was any of my four children born in a project. My husband and I did not see eye to eye and I wound up there, but I was a married woman. I had dreams for myself, I had dreams for my children. I passed those dreams on to them. I am in Abbotsford because I love Abbotsford, I want to be there to help my community.

And I feel that I am not just the one, Bertha is not just the one, Akbar is not just the one, all of these people sitting in this room is not just the one. It is many more of us out there.

VOICES. That is right.

Ms. HARRELL. Give us the chance. I will say to you what I said to HHS when I went to try to get the grant for our health center. They said Ms. Harrell, you are sitting there quiet and not saying anything. I said I am listening because sometimes it is good to listen. They said well, what do you want us to do to help you. I said I heard this proverb, I want you to take me to the river and teach me how to fish because once you teach me how to fish, I can fish for myself from then on and I will never go hungry. OK?

So today I say to you, all of us in this room is asking you, take us to the river, give us the opportunity, we can do it. Why? Because we love what we are doing because we are helping people and yes, we must have the training, we must have the training in order to accomplish what we all three here are trying to do.

Mr. AKBAR. One of the things, Congressman Shays, you alluded to the fact that maybe we should have the commissioners, people who administrate public housing affairs, live in public housing.

One of the things that is very key and very unique about this particular training, in particular Urban Women, Inc., is because Urban Women, Inc.'s, head person, Ms. Gilkey, lives in public housing. She is a product of public housing. Not only there is a product involved, there is also a point that is going on right now, we are going back to where Ms. Gilkey reflected on the teachers and school, how if they cannot teach a child, they are labeling him disabled and they are putting a lot of children on Ritalin because they do not understand the psychological dynamics of that child, nor is the atmosphere conducive to the tolerance of the child because of the number of people that they are dealing with, the complexity of the problems that exist.

Now Ms. Gilkey, because she understands and is from that environment, she goes above and beyond the technical, normal technical, quote-unquote, assistance that would be deemed what is in the contract and the different steps that we would take. She hammers at the very problems that permeate the whole issue of us trying to get from one point to the next, be it a legal problem—she stays up overnight to help us understand and to help other people who are looking at resident management for the first time to understand that this is nothing that you are given, it is actually a right for us to have a stake in our community and to try to adjust the problems in our community.

We are from that community, so we should understand best how to adjust these problems.

Mr. TOWNS. Let me close out so I can give it back to the chairman. Let me just say this though to respond to Ms. Harrell, first of all. Thank you very much for your comment. I want you to know that yes, I was hoping you would say what you said, to be honest with you, and I was happy to hear it. I think the only thing that really bothers me though is how do we deal with folks that really, you know, are saying that there are only a few people out there that can do it and there are not that many. I guess not to be too down on the whole idea that some people do learn faster than others, I recognize that. My son who serves in the State legislature in New York said to me, he said, "Dad, you have to understand individual differences."

Mr. SHAYS. I thought he said, "Dad, when are you getting out so I can run for Congress." [Laughter.]

Mr. TOWNS. That too, he said that too, but I am going to make him wait.

He said to me individual differences, he said sometimes you have to recognize that some people do learn faster than others. He said but everybody has the ability to learn, he said it takes some people 2½ hours to watch "60 Minutes," but he said that does not mean they cannot watch it, it just takes them longer to do so.

So I am hoping that some of my colleagues who have not gotten to the point where I am and where Congressman Shays is, get there because I think it is important that we change in terms of the direction that we are moving in. And I think when you talk about corporations who have failed and how we sort of propped them up, I think there will be tenant groups and tenant organizations that will fail and will need to be propped up. But that does

not mean that we should back away from the contracts itself, and I think that is the thing that we need to make clear.

So Mr. Chairman, on that note, I yield to you.

Mr. SHAYS. Thank you. I happen to agree with everything you said, particularly in terms of not backing off.

The value of having a hearing like this is manifold, but Ms. Freeman, you came from the perspective of an executive director from your position. And I was thinking, I have not been to see what you have done, so I have not had tenants verify what you have said and so on. However, if tenants see it the same way you see it, it is pretty remarkable that you have a housing authority that is so proactive. And I am struck by the fact that we have got to find a way to evaluate a housing authority based on how actively they have involved their residents. If they have not involved their residents, even if they are run well, even if they have a low vacancy, they get the rents on time and so on, all those other things, if they have not involved their tenants, then there is a part of them that really fails.

Ms. GILKEY. Congressman, my suggestion is—and it is an evaluation tool. Right now the housing authority is evaluated by their fee map scores. And I think the perfect way, if the housing authority is clearly advocating resident participation, resident involvement, resident management, then they should not have a problem including as one of the strong evaluation tools of their fee map, a whole section on resident participation that would also include the opportunity to manage and to own and housing authorities have encouraged those kinds of activities where residents have shown—

Mr. SHAYS. I even asked my staff this—finish your point—where they have shown what?

Ms. GILKEY. Where they have shown—where resident groups have shown the capabilities and have shown—have requested to participate in that type of process, that the housing authority then has to verify that they have supported that concept rather than what happened with Brother Muhammad, that they have done everything they can do to discourage it. So that your \$100,000 that you have given them for technical assistance ends up put down a black hole because the housing authority never bought in and because there was no way that you as a Congressman could hold the housing authority accountable and say we have given this group \$100,000 for technical assistance.

Mr. SHAYS. Let me interrupt you here a second and say to you that I have not asked my staff, to know the answer to the question, or get a sense so this may really—I have no idea where it is headed, but do we require HUD now to evaluate housing authorities based on—

Ms. GILKEY. Yes, annually.

Mr. SHAYS. Well, then given that we do that, are you saying that it is just a joke?

Ms. GILKEY. I am saying in the evaluation—

Mr. SHAYS. I want to be clear, totally evaluate them on this one issue of how much they involve tenants.

Ms. GILKEY. But it is real broad, Congressman, the question under the fee map under resident participation, first of all they do not lose enough points.

Mr. AKBAR. Right.

Ms. GILKEY. The points are very low.

Mr. SHAYS. When you are describing the fee map, that is the resident requirement?

Ms. GILKEY. No, the fee map is like a report card the housing authority gets.

Mr. SHAYS. That is the total report card.

Ms. GILKEY. That is total report, that deals with vacant, rent collections.

Mr. SHAYS. And one little part is—

Ms. GILKEY. Is tenants. And they may lose 5 points for that, maybe 10 points, but it is not significant enough for them to even care about.

One thing I suggest is that we increase those points where they have to lose 30, 40, or 50 points, so there is a real incentive to bring them to the table. See, right now there is nothing to force them to the table.

Mr. SHAYS. You really touched my heart strings, Ms. Harrell, when you talk about, you know, teaching me how to fish, because I have been in public life since 1974 and consider myself a centrist or a moderate Republican, having voted for many programs that I think have been destructive rather than helpful. And what I have done in the last 4 or 5 years is anyone who has kind of pulled themselves up by the bootstraps, I have said what has made a difference in your life. And in almost every instance it is a mentor, it is a mom, it is a dad, it is a father or brother, it is a teacher who just took an active soul filled interest in that person. It is the woman who came to me and said my dad died when I was 12, and I had 6 younger brothers and sisters, but my mother had a dream that we would all get advanced degrees, not just go to college and she had come to me when her youngest brother or sister had just graduated and she said I want you to know all seven of us have advanced degrees. She triggered something for me that I then started to ask people, what made the difference and so on.

And what I am saying to you is that I look at Government policy and say we have spent a bundle of money and we have made people—we have given them the food, we have not taught them how to grow it; we have given them the fish, have not taught them how to fish. And for me, one wonderful way to mirror, to join Republicans and Democrats together is this whole issue of how do we empower tenants.

Ms. HARRELL. And I would like to add what makes me—in you saying that, what makes me feel good about this is we were the first to do it and I have a sister group that lives about four blocks from me, another public housing. Their tenants started coming over to us to get health care. A private company got involved with them that I introduced them to that I had been dealing with and they helped them to get a health center through private funding. The private funding, the group that gave them the money because I worked diligently with them to help them get theirs, they came back and gave us more money to expand our health center. So it

made me feel good that I put out a hand and received something for the whole community.

Now in Pennsylvania we have two other public housing that is getting ready to get a health center. So the fish is still being passed around.

Mr. SHAYS. That is great.

Ms. GILKEY. Congressman.

Mr. SHAYS. Yes. Let me just say, I want Mr. Towns to have a chance to hear the next panel, so I am really going to try to draw this to closure. Why don't I just ask if each of you have a kind of a closing comment you would want to make? Do you want to start first? You will not get the ending word now. [Laughter.]

Ms. GILKEY. OK, I will go last.

Mr. SHAYS. Mr. Akbar. See, I am getting to know you pretty well.

Mr. AKBAR. I would just like to make it short. With the programs that resident management is allowing us to establish, it is creating now a way whereby we can obtain self-sufficiency, where there is economic development and also where there is entrepreneurialship and with the generating moneys that occur from this in any given resident management organization, there are revolving funds and profits that are generated and these revenues can be used as moneys to offset expenses for continuation of programs, thereby allowing us not to always have to come to the Government for extra funds. And we also do fund raising of private dollars and so forth.

I would just like to say that we pray that your consideration and continued support of this concept of resident management enlightens you to the vast potential of what the resident management concept offers to the public, and we pray that you would give continued look and overview to allow this group, this resident management concept to live.

Mr. SHAYS. Thank you very much. Ms. Harrell.

Ms. HARRELL. My closing statement, when I heard you speak earlier—

Mr. SHAYS. I am sorry, I have been saying Harrell and it is Harrell.

Ms. HARRELL. Harrell.

I heard you mention what type of training and I would like to leave this with you. I would like to see residents trained to be construction managers, architect engineers, and for my babies to learn computers from the age of 4. I think this will strengthen my community and my people.

I thank you for inviting me here today. I hope with the things that you hear in this room today, you will take back with you that we really believe in what we are saying. It is a heartfelt thing. We have had many a sleepless night, this is not an easy job and we do not get paid, so you must love it.

Mr. SHAYS. Thank you.

Ms. HARRELL. For all my colleagues in this room, I think most of you know me and you know how I feel. I feel like Bertha, Bertha is my mentor. When it comes to public housing and the things that we need, I hope your two ears will take back to the rest of your group, what you have heard today, consider us, think about us.

And last but not least, dream about us. Thank you.

Mr. SHAYS. Thank you, Ms. Harrell. You are smiling, you think that I am going to lose control, but I am not. [Laughter.]

I have got this.

Ms. GILKEY. In closing, I would like first of all, Congressman Shays and my other wonderful Congressman from New York, to say that I would like you to take back to the other Congressmen, the 100,000 units that are on the drawing board for being blown up in public housing, give us the opportunity, let us focus those 100,000 units and see how many of those developments fall into a community where there is a potential resident management group there that can be developed that can take over managing that property and stabilize it and not costing Congress millions of dollars for demolition, displacement, and vouchers, and create a holistic community. That is one of the things I would like you to take back.

I would like you also to take back that people, resident management—I would like you to see it—first of all, I would say that the housing authority started in 1937, they have been managing up until 1996. It is obvious that many housing authorities—not all—have failed. That is obvious because we are talking about blowing up 100,000 units. Resident management just became a legal entity in 1988. From 1972 to 1988, Carr Square and Cochran and Boston, we managed this property with no money, no subsidy. We went out and did the work, we collected the rents, we stabilized the property, we rented up all the vacant units and they kept the money until there was a law that said, in 1988, that if we manage, we have a right to utilize the subsidies and the rents. So resident management has not even been in place legally from 1988 to 1996.

You ask yourself why housing authorities have not embraced this concept where residents go in, and we are much tougher on our residents than you could ever be. We expect more from them, we do not buy that just because I am poor, I should throw my garbage out the windows; just because I am poor, I should shoot out the windows; just because I am poor, I should rob; I should rape; I should urinate on elevators; I should maim; I should destroy property; and I should not pay my rent and be responsible for my children and their guests and I should not work or at least get involved in some type of program of self-sufficiency.

These are the very pieces that America moves toward, that is what Congress is all about. And these are the very dreams and these are the very behaviors and attitudes that we embrace in our management concept. We do not just manage property. When we take over managing the buildings, we take over the illiteracy, we take over the unemployment, we take over all the social problems and we begin to rebuild and rebirth a community with no resources.

And I say to you that I see resident management as the solution. It is the solution—one of the solutions of urban cities. We have 3 million women and children living in public housing in this country. The solution is not demolition, Congressmen, the solution is that Bertha Gilkey is not unique, it is not my charisma that makes people stop robbing; it is not my charisma that converts a gang member into a maintenance superintendent; it is not my charisma that takes a welfare mother who never worked who is now working

two jobs. That is not charisma, that is people who always had the will to do but just never had the opportunity.

Thank you.

Mr. SHAYS. Thank you.

Mr. TOWNS. You know what, I think your charisma had a little something to do with it. [Laughter.]

Mr. SHAYS. The only thing that surprised me, I did not hear any amens in the audience. Thank you. You have been a wonderful panel.

Ms. GILKEY. Thank you, Congressmen.

Mr. SHAYS. Now our final panel, we are going to have four panelists. We have one panelist who is not here today and that is Tillie Baylor, who is unable to come. So we are going to have Loretta Hall who will be joining us as a participant. She is from the Carr Square Resident Management Corp. And we have Kathleen Patton, executive director, Glendale Resident Management Corp., Minneapolis; Arlene Williams, president, 1230 North Burling Resident Management Corp., and we have Harriett—in Chicago—and we have Harriett Henson, the executive director of Northside Tenants Reorganization, Pittsburgh.

I have let you all sit down and now I am going to have you all rise so I can swear you in.

[Witnesses sworn.]

Mr. SHAYS. We will start with Kathleen Patton and then go to Arlene Williams and Harriett Henson and then Loretta Hall will be last.

You may read your statement, you may summarize it, you may ad lib. And you wonder what that light is doing, why is it red? It is going to go green in a second. It is a 5-minute light and it just gives me a sense—we usually—when we are in Washington we are a little stricter and we usually say 5 minutes and that is it, but not all the time. But we are going to stick somewhat to that.

Welcome and nice to have you here.

**STATEMENTS OF KATHLEEN PATTON, EXECUTIVE DIRECTOR, GLENDALE RESIDENT MANAGEMENT CORP., MINNEAPOLIS, MN; ARLENE WILLIAMS, PRESIDENT, 1230 NORTH BURLING RESIDENT MANAGEMENT CORP., CHICAGO, IL; HARRIETT HENSON, EXECUTIVE DIRECTOR, NORTHSIDE TENANTS REORGANIZATION, PITTSBURGH, PA; AND LORETTA HALL, CARR SQUARE RESIDENT MANAGEMENT CORP., ST. LOUIS, MO**

Ms. PATTON. Congressman Shays and committee members, my name is Kathleen Patton. I am the executive director of the Glendale Resident Management Corp., a rowhouse public housing development of 184 units located southeast of downtown in the University of Minnesota area.

Glendale residents have been working toward resident management since 1987. One president of Glendale board, deceased in 1988, the movement of resident management was delayed because the leadership died. After a few years passed, a new leader was born. The movement started up again in 1991 with 6 months of leadership training.

By mid 1992, we received a second phase of training which included board training, bylaws, incorporation, and 501(c)(3) organizations. We have raised \$225,000 of private foundation money, \$100,000 of TAG money, \$175,000 of Comp Mod money. Over 125 residents have received some phases of resident management training. We have trained three sets of board of directors. Because of MPHA's failure to comply with CFR 964, board members lost interest and moved away. Yet we have not achieved dual management.

Drugs and gang activities started being visible in Glendale in early 1992. The local HUD was notified, along with the housing authority, about these problems. By mid-1993, they were well organized with spotters on the corners and gang members walking the community with walkie talkies. The executive director informed me that an enforcement team had been assigned to Glendale in early 1994.

In March 1994, dual management training began again, after almost a year of down time. Once again, because of the problems with selecting a consultant, Glendale's duly elected board of directors felt that the selected consultant was not qualified to move us into resident management. But with our willingness to move forward with our training, we accepted MPHA's consultant. We trained in different property management areas, 6 months on-the-job training was completed.

In August 1994, gang members took over Glendale. A phone call was made to me about a gang fight taking place with guns.

Mr. SHAYS. When was this? I am sorry. When did this gang fight take place?

Ms. PATTON. It took place in 1994.

Mr. SHAYS. OK, 1994.

Ms. PATTON. In August 1994, gang members took over Glendale. A phone call was made to me about a gang fight taking place. When police arrived in Glendale, I was approached by them asking me what was the problem. At that time, gang members ran through my home pushing my children to the side, running from the police.

The next day, I was called in by the housing authority and moved out of the development. I did not work in Glendale for awhile so the resident management training was put on hold by MPHA's executive director. I worked at home for 2 months. Afterward, I went back to Glendale to work. MPHA had promised that they would have 24-hour security for Glendale.

Dual management training started up again. In December, MPHA had the consultant to take me to lunch and tell me I had to move back into Glendale in order to do resident management, or I could leave and she would give me an assistant property management job in Glendale. I had decided to move back to Glendale. In January 1995, I was told by gang members that I was the police and to stay out of Glendale. Because of my commitment to move Glendale into resident management, I continued to work there.

In February 1995, I was being stalked by three males and one female. Finally they caught me alone and they jumped on me and they beat me up. MPHA's enforcement team did arrest the female and she was evicted from Glendale.

Mr. SHAYS. That is it?

Ms. PATTON. No. Moving back to Glendale was never mentioned to me.

We had been working with MPHA's enforcement team very close. I had taken in another family who was being threatened by gang members. MPHA had my house under protective custody. I was told if the gang members found out where I lived, that they would relocate me and my family. After working with MPHA's enforcement team, 10 families were evicted because of drug selling and gang activities.

Our training continued. After we had worked several draft copies of our resident management contract all of MPHA's upper management staff, their lawyer, and local HUD was involved.

In March 1994, we worked on a budget for Glendale. It was at that time when we started having problems. I questioned the budget. I was told that Glendale was operating in the red, running a deficit. I asked how could that be. There was cost for gas and lights in vacant units that was very high, equipment charged to Glendale that did not make it to Glendale. I questioned the charges that was being charged to Glendale. After the final budget was completed, it became a problem so I spoke with Cora McCorvey, the executive director of the Minneapolis Public Housing Authority and told her our contract was completed and that we were ready to move forward to take it to the board of commissioners for approval. It was at that time she reviewed the contract and said she did not like it. We had worked for months with MPHA's staff on that contract.

MPHA's staff, GRMC, and Quadel Consultants selected the residents to be trained. MPHA's Human Resource Department developed the wage scale for residents and we used their job descriptions. We also had a 6-month training calendar with everyone paired off with who would train them. We did a presentation before MPHA's staff on resident management which was at MPHA's director's request. We sent out factsheets to Glendale residents to comment on. MPHA established an internal task force to work on their issues with the contract. A series of meetings took place, Glendale was never invited to the meetings or told what was the problem with the contract. Three months went by. In the process, the staff who had been working with us was removed from the resident initiative department. She was told she was never supposed to direct us in the area of resident management. She was laid off.

Myself and board members met with Ms. McCorvey in July 1995 to discuss the finding from her series of meetings with the same staff people that we had been working with. We only found out that the executive director had no intention to give us any kind of a contract. She told us it was over, Glendale would never have resident management. It was never her intention, there was no way she could let her money go, that we did not have the expertise to do property management functions. I asked her how could she make that assumption when she had not provided on-the-job training. She said she did not have to, that she was not going to give up her money. I asked her why did she send out an RFP for resident management. She stated if she did, it was a mistake, she never intended for Glendale to go into resident management. This goes all the way back to 1988 when the training first started.

So, I went to local HUD, asked for help with this issue. They stated they could not help me, write Washington. So, I did. I heard from Washington 2 months later directing us to go back to the table. We went back to the table in January 1996. They said there would be no resident management in Glendale. I sent a letter back to local HUD asking for help. We got no help. I sent a representative to Washington, DC, in February 1996 begging them to send someone down. In May 1996, national HUD came down to talk with both sides.

Now, we are hoping, with the help of national HUD to at least start dual management training by July 1996. But we are also talking about another \$100,000 for training.

Mr. TOWNS. Powerful testimony.

Mr. SHAYS. Quite a story.

Other than that, did you have any other problems? [Laughter.]

Ms. PATTON. That was it, all by itself.

Since that happened and local HUD came down and we are scheduled to go—not local HUD, national HUD. We are scheduled to go back to the table at the end of this month as a matter of fact to discuss a dual management contract. But it was not until national HUD came in that we found out that the problem that was with the contract was that it was a full management contract, because the Housing Authority itself does not have the expertise in resident management to be able to determine if it was a full management contract or if it was a dual management contract. So we have had a year of down time once again, no training. We also had money that was in the \$175,000 budget for legal services but because it was housing authority money, we were not able to use any of that money to get any legal advice on it.

So it was not until I was able to contact Bertha Gilkey once again, and I went to my surrounding community neighborhood and they gave me the money to where I was able to bring Bertha in and as soon as Bertha looked at the contract, she knew that it was also a full management contract. So I am hoping that when we come back together at the end of this month, that we will come up with some kind of training for us. But the problem is going to be that \$125,000 of that money has already been spent toward the consultant that we had last year, so now they are saying that they do not have the money to train us. And we are saying we want our money.

Mr. SHAYS. OK, thank you. Arlene Williams.

[The prepared statement of Ms. Patton follows:]

June 3, 1996

Sub - Committee.

Speaker: Ms. Kathy Patton, Executive Director of the Glendale Resident Management Corporation, Minneapolis, Minnesota 55414

Dear Congressman,

Chair Shays, and committee members. My name is Kathy Patton, I am the Executive Director of Glendale Resident Management Corporation A Rowhouse Public Housing Development of 184 units. Located Southeast of downtown in the university of Minnesota Area Glendale residents have been working toward resident management since 1987. One President of Glendale Board, deceased in 1988, the movement of Resident Management was delayed because the leadership died with her. After a few years had past. A new leader was born in Glendale. The movement started up again in late 1991 with leadership training for six (6) months of training.

By Mid 1992, we received our second phase of training which included Board Training/ By-Laws, Incorporated and 501(c) (3) Organizations. We have raised approximately \$225,000 of Private Foundation Money, \$100,000 of TAG and \$175,000 in Comp Mod Monies. Over 125 Residents have received some phases of Resident Management Training. We have trained three (3) sets of Board of Directors. Because of MPHA failure to comply with CFR 964 Board of Directors have lost interest or moved away. Yet we have not achieved Dual Management. Drugs and Gang Activities started being visible in Glendale in early 1992. The Local Hud was notified along with the Housing Authority about these problems. By Mid 1993 they were well organized with Spotter On Corners and Gang Members walking the community with walkie talkies. The Director of MPHA informed me that an enforcement team had been assigned to Glendale early 1994.

In March 1994 Dual Management Training began again after almost a year of down time. Once again, because of the problem with selecting a consultant, the Glendale duly elected Board of Directors. The Board of Directors felt that the selected Consultant was not qualified to move us into Resident Management. But, with community williness to move forward with our training we accepted MPHA'S Consultant. We trained in different Property Management Area. Six (6) months of training was completed. Then in August 1994, Gang Members took over Glendale. A phone call was made to me about a gang fight was taking place with guns. When police arrived in Glendale, I was approached by them, "asking me what was the problem". At that time Gang Members ran thru my home pushing my children to the side running from the Police.

The next day, I was called in by Housing Authority and moved out by them. I did not work in Glendale for a while so Resident Management Training was put on hold by MPHA E.D. (Executive Director). I worked at home for 2 - months. Afterwards, I went back to Glendale to work. MPHA had promised they would have security around the clock in Glendale. Dual Management training started back. In December MPHA had the consultant to take me to lunch and tell me, I had to move back in Glendale in order to do Resident Management. Or I could leave and she would give me a job as a Assistant Property Manager in Glendale. I had decided to move back to Glendale. In January 1995, I was told by Gang Members that I was the police and to stay out of Glendale. My Commitment to move Glendale Residents into Management, I continued to work there.

In February 1995, I was being stalked by three (3) males and one (1) female. Finally they caught me alone and jumped on me and beat me up. MPHA enforcement team did arrest the female and she was evicted from Glendale. Moving back to Glendale was never mentioned to me anymore. We had been working with MPHA'S enforcement team very close. I have taken in another family in Glendale that was being threaten by the Gang Members. MPHA had my house under protective

custody. I was told if the Gang Members found out where I lived after moving this family in, they would relocate me and my family. After working with MPHA'S enforcement, ten (10) families were evicted because of drug selling and gang activities. Our training continued after we had worked on several draft copies of our Resident Management Contract. In which all of MPHA'S Upper Management Staff, their Lawyer and Local HUD.

In March 1994 we worked on a budget for Glendale. It was at that time, we started having problems. I questioned the budget. I was told that Glendale was operating in the (Red), running a deficit. I asked, "How could that be". There was cost for gas and lights in vacant units that was very high. Equipment charged to Glendale budget that hadn't made it to Glendale. I questioned the charges that was being charged to Glendale. After the final budget was completed, it became a problem. So I spoke with Cora McCorvey, Executive Director (E.D.) of MPHA and told her our contract was complete and that we were ready for it to go to the Board of Commissioners for approval. It was at that time she reviewed the contract and said she didn't like it. We had worked for months with MPHA'S Staff.

MPHA Staff, GRMC and Quadd Consultants selected the residents to be trained. MPHA'S Human Resource Department developed the wage skill for residents. We used their job description. We also have a six (6) month training calendar with everyone paired off with whom would train them. We did a presentation before MPHA'S Staff on Resident Management at (MPHA's Director requested) We sent out a fact sheet to all Glendale Residents to comment on. MPHA establish a internal task force to work on issues they had with the contract. Several series of meetings took place. Glendale was never invited or told what was the problem with the contract. Three (3) months went by; In the process, the staff person who had been working with us was removed from the Resident Initiative Department and told she was never suppose to direct us in the area of Resident

Management. She was layed off

Myself, and Board Memebers met with Ms McCorrey in July 1995 to discuss the finding from her series of meetings with the same staff people we had been working with. We only found out that the E.D. had no intention of giving us any kind of contract. She told us it was over. Glendale would not have Resident Mangement. It was never her intention. There was no way she could let her money go. That we didn't have the expertise to do property managment functions. I asked her how could she make that assumption when she had not provided on-the-job training. She said, "she didn't have to." That she wasn't giving up her money. I asked, why did she send out a R.F.P. for Resident Management? She stated, "if she did it was a mistake." "She's never intented for Glendale to go into Resident Management this goes all the way back to 1988 when the training first started.

So, I sent the letter to Local HUD asking for help with this issue. They stated they couldn't help to write Washington, so I did. I heard from Washing two (2) months later directing us to go back to the table. We went back in January 1996. They said it will be no Resident Management in Glendale. I sent a letter back to Local HUD asking for help. We got NO help. We sent a representative to Washington in February 1996 begging them to send someone down. In May 1996, National HUD came down to talk with both sides. Now we are hoping with the help of National HUD to a least start Dual Management Training by July 1996. But we are also talking about another \$100,000 for training. When Quadel was pulled-out in April 1995 by MPHA we have had no additional training. NO help at all from Local HUD to make MPHA work in good faith.

Sincerely,

Kathy Patton,  
Executive Director of Glendale Resident Management Corp

Ms. WILLIAMS. Hello, Congressman Shays, nice to see you again.

Mr. SHAYS. Nice to have you here.

Ms. WILLIAMS. My name is Arlene Williams, I am the president of 1230 North Burling RMC in Chicago, IL, which development is Cabrini Green.

Basically I am just going to summarize.

Mr. SHAYS. You sure may do that. Feel free, any way you want to do it.

Ms. WILLIAMS. OK, I will start out with 10 years ago, a lady lived in our building, which she is here right now, Cora Moore, she is the one that got me into this, most of it, her and Ms. Gilkey.

I did not grow up in public housing, I grew up in a second class neighborhood, as they say in Chicago, and basically I grew up with my mother, getting everything I wanted—everything. So when I did move in public housing and got on welfare, I thought people, just because we did not have any money or have any things, that was the way we were supposed to live, so I never complained about anything. I lived at 1230 Burling without windows for 5 years, I thought I was not supposed to get no windows because of the rent I was paying at the time.

Mr. SHAYS. When you say no windows, what do you mean, no windows?

Ms. WILLIAMS. I mean actually no windows, none, no glass. I lived behind boards, they never gave me any windows, but I thought—from the time I moved in. And I actually thought you were supposed to live like this, because of the little money I was paying. Do you understand what I am saying?

Mr. SHAYS. I understand.

Ms. WILLIAMS. So I never complained. I am not going to complain, at least I have got somewhere to stay.

So once I started learning about that I do have some rights and do have some say-so in public housing, I began to use it, which Ms. Gilkey taught us a lot. I know you hear about Ms. Gilkey a lot, but she taught us a lot and taught us how to stand up for ourselves and how to implement policies that was already there in public housing, her and Cora Moore.

And basically, I am the president, I have been on the board of directors for 10 years and we are one of the successful RMC's in the country. I would like to put that in.

Mr. SHAYS. You're darned right you put that in, you should be very proud of it.

Ms. WILLIAMS. And we have been documented on 60 Minutes, 48 Hours, 20/20 came to 1230 Burling and did a piece on 1230 Burling.

Basically on some of the earlier testimony, I was here and I want to say how does a failing housing authority evaluate a success. I really want to know that. We learned that is so, that the housing authority has to evaluate a resident management group that has done better than they ever could do.

Mr. SHAYS. Interesting question.

Ms. WILLIAMS. And another thing I would like to say—you know I live in Cabrini Green—Cora Moore is one of the people that brought a security program, not only that hired residents in 1230 Burling, we hired over 300 residents in the Cabrini Green area as

security officers that has a right to carry a gun, they can carry one legally now rather than the way they used to be. And the housing authority is not giving the residents a chance to do this program on their own but bringing other people in there that want to take the contract away from them.

Another thing I would like to say—well I ain't going to tell you any more about the success, I do not want to be known. In Cabrini Green, they want to tear down, they want to demolish all the buildings in Cabrini because of the land, where we are at.

Mr. SHAYS. When I came by to visit you, I was struck by the fact that the buildings were not that close. They are big, but there is a lot of open space there.

Ms. WILLIAMS. Right.

Mr. SHAYS. So I was not struck with the feeling that you needed to reduce the density in terms of the space, there was a lot of open space.

Ms. WILLIAMS. Yes; there still is open space. Cabrini is sitting on prime land.

Mr. SHAYS. You know, one of the questions though when we got into this issue earlier, some of the units have to be torn down in some places because they were allowed—I do not mean here, I do not know the condition—but around the country, some of the units have gotten so—the roofs were not maintained and water leaked in between the sides of the building and there is a lot of—some buildings are more expensive to renovate than they would be to tear down and rebuild. So there is going to be some demolition. But where you have good buildings, you know, I am struck with the fact, and I think you probably share this, Ed, and that is that we need to reexamine the whole issue of whether we have to tear down some of these buildings that are structurally in good condition. [Applause.]

Continue, please.

Ms. WILLIAMS. Well, I would just like to say, we did receive \$10 million in Comp Mod money for 1230 Burling. We have finished almost 50 percent of the rehab in 1230 Burling, plus we have worked with the hospital, Children's Memorial Hospital donated to 1230 Burling a \$65,000 playground, which we let all the rest of Cabrini use and everything.

What we are trying to say is it is not to tear down the buildings, it is mostly not the buildings, just the people. And once they get the proper training and really believe in themselves, you do not need to demolition nothing.

Mr. SHAYS. Well, we will end on that one and we will go to Harriett Henson.

[The prepared statement of Ms. Williams follows:]

**Date:** May 30, 1996

**Sub-Committee:** On Human Resources and Intergovernmental Relations  
Christopher Shays, Connecticut Chairman  
Room B-372 Rayburn Building, Washington D.C.  
20515

**Speaker:** Mrs. Arlene Williams, President 1230 North Burling R.M.C.  
Chicago, IL 60610

Dear Congressman,

Ten years ago, ten African American women at 1230 North Burling Building at Cabrini Green in Chicago, Ill. were tired of the way things were from the filth to the deplorable conditions of the interior and exterior of their building. We started meeting among ourselves to decide what to do. We began by boarding up vacant apartments and cleaning up the building. The children of 1230 participated and began to encourage their parents to join in. The residents of 1230 North Burling contacted different Foundations to bring in a Resident Management Specialist. Bertha Gilkey was brought in to train us and after the initial funds ran out 1230 North Burling convinced her that they wanted to control their destiny and they had hopes, dreams and aspirations, and most importantly a vision of better things to come and they only needed someone to show them how to make their dreams a reality. Bertha Gilkey trained the tenants of the lease and what responsibility they had as residents and what responsibilities the Chicago Housing Authority had to the residents of 1230 North Burling Building. Once we understood that we did not have to live the way we lived it was only a matter of enforcing the lease. It taught us that the Chicago Housing Authority received funds to correct the physical condition of 1230, the frequently inoperative elevators, broken windows, no lights, rats, roaches, trash, and graffiti-covered surfaces. 1230 had just begun to change gradually by cleaning up the building, but also we dealt with residents that did

not understand the process or what their mission was and the strong reaction the Duly elected Board of Directors received from negative (criminal) factions in the complex both physical and emotional was challenging but we were determined to change our lives and to control our destiny. Resident training made us aware of not only their rights according to our lease but also our right to manage our building. 1230 North Burling Resident Management Corporation currently operates only 40% of the budget officially allocated to us because the Chicago Housing Authority chooses to keep; 60% of our budget to effectively offset their wasteful spending. 1230 North Burling (RMC) has set up a Security Program, which currently provides training to 200 residents certifying them as official Security Guards which has resulted in a 60% decrease in crime in our community. The residents also have set up a 900 member Tenant Patrol Committee which patrols the entire site, and has decreased vandalism by 50% on site. The Resident Management Corporation has established a on-site Laundry Room Facility which generates Economic Development and a reserve for further programs at 1230 North Burling. Also the RMC has established a two year joint agreement with Children Hospital working the Dr. Karen Sheehan to provide much needed Health Services to the Residents of 1230 North Burling. We also have established an After-school Tutoring Program with Harlem Hospital Entry Preventative Program which had donated a \$65,000 dollar playground to the residents. 1230 has developed a strategy to rent the apartments, 95% which are occupied. We currently employ residents in the following positions: Building Manger, Leasing Clerk, Financial Manager, Social Service Director, Receptionist, Maintenance Mechanic, Janitors, a Clean Up Crew, and a Laundry Attendant. Finally, we are also hiring 35 residents to renovate all of the apartments at their building. We have managed to survive and use the skills taught to us as a part of our Resident Management Training which focuses on utilizing the skills within and combining that with raising money from

Foundations, Private Grants, and Economic Development. Today these very same African-American women of Cabrini Green effectively operate a \$400,000 Corporation but remember it did not happen over night and we were successful because of training they received.

Sincerely,

A handwritten signature in cursive script that reads "Arlene Williams". The signature is written in dark ink and is positioned to the left of the typed name and title.

Arlene Williams  
President

Ms. HENSON. Thank you. I am glad to be able to be here this morning.

I would like to say that I am here really because of my trainer, Bertha Gilkey. And I am saying this, Congressman, and I am saying it with no disrespect, but I really feel since I have been sitting here this morning like I am an illegitimate child who has come to a family reunion. And the reason is I am assisted housing, I am not public housing. Everything that has been talked about is indeed public housing.

The reason that I am able to be here at this format is because about 10 years ago, our group saw Bertha on 60 Minutes and we got Bertha to come in to train.

Now my development is a scattered site, section 8, 333 units. It is privately owned by developers. When the developers bought the project in 1983, we had an agreement—they had a 15 year section 8 mod rehab. So at the end of 15 years, which will be in 1998, our tenant council will be able to take over these units and hopefully purchase them and continue with the management and the ownership.

Now to get to that point, no one—because the laws, as Bertha and everyone talks about, the laws are all for resident management for public housing. These laws do not come to assisted housing. We are not eligible for TOP, we were not eligible for TAG, CIAP and all the rest of this stuff that they talk about, we get none of that. So we have to go out and hustle our money through private foundations or a contract with the owner of our development, or things of that nature.

What my group was able to do 4 years ago, because we are a scattered site in four neighborhoods on the north side, what we did, we went to where we had the most vacancies of vacant houses and our neighborhood group, our tenant council, became the developer and we developed—we put together a \$4 million deal, and as a result of that \$4 million deal, we syndicated \$2 million through historic and low-income housing tax credits. We developed 34 units of housing, 32 which were low-income and two which were market rate. We also developed a community laundromat that our tenant council owns.

Now, we are doing all of that so that we can set the stage for when it is time for this contract in 1998 to be over with, that our tenant council will have developed a track record in management of property. The problem is, is that in our development, the units are not HUD-insured, they are privately insured. So the owner has no direct accountability to HUD, they are accountable to the Pittsburgh Housing Authority. So, HUD really does not have the big stick to be able to come in and make our owners do certain things. And any strides that our group has made, as it relates to being developers and owners of property, it has been because of Ms. Gilkey and private foundations, this has not come because of these owners.

Mr. SHAYS. Let me just add, it is being subsidized by HUD Federal.

Ms. HENSON. Yes, it is.

Mr. SHAYS. So, HUD does—if you are hearing from HUD Washington that they do not have any say, that is—

Ms. HENSON. They have a say, but what we have always been told, since it is not insured by HUD, HUD does not have the same type of clout that it would have if this development was insured by HUD.

Mr. SHAYS. Let me try to translate what I think they are saying. If it was HUD-insured, if the developer walked away, HUD would own it.

Ms. HENSON. Yes.

Mr. SHAYS. And HUD does not have that legal kind of liability.

Ms. HENSON. Yes.

Mr. SHAYS. So in one way, it is almost a perverted thing, that if HUD has the liability, ultimately HUD takes it over, then they are stuck with it, what do they do and it is the taxpayers' responsibility.

One of the fascinating things about what you are talking about is to the general public, a massive section 8 structure is public housing, because they do not know the intricacies of it. The outreach—and I got involved in this when we did our hearings about the Pearce years—the section 8 projects were given out to people who had connections. They were able to take out—they were able to get tax credits of such proportions that they took all their money out in the beginning. They were able to finance with HUD at more than the market rate and so HUD is not stuck with a situation that if you looked at what these developers are getting, they are getting more than the market rate, but if they got less than the market rate, they could not pay the high mortgage, which is backed by HUD. And therefore, HUD has this kind of situation that they continue to pay these exorbitant rents because they have got a facility that they are ultimately going to take over. So this is one of the real crimes of the past that we are trying to deal with.

Ms. HENSON. Well, I need to read to you the notice that went to the tenants in our development about the latest rents. Now, as I said, it is 333 units, it is rowhouses and townhouses. The current rent right now for a one-bedroom apartment is \$731. The proposed rent is \$937. For a two-bedroom apartment, the current rent is \$846, the proposed rent is \$1,091. A three-bedroom apartment, the current rent is \$952, the proposed rent is \$1,228. The four-bedroom apartment, the current rent is \$1,057, the proposed rent is \$1,363. That is just the apartments.

For the townhouses—

Mr. SHAYS. I get the thrust.

Ms. HENSON. But you need to hear these numbers because you are going to pay them, the taxpayers are paying them. Two-bedroom townhouse current rent, \$839; proposed rent, \$1,082. Three-bedroom, current rent, \$947; proposed rent, \$1,221. Four-bedroom, current rent, \$1,050; proposed rent, \$1,354. And finally, the five-bedroom townhouse, the current rent is \$1,191 and the proposed rent is \$1,536.

My problem is, in less than 18 months, they are out of the deal, the owners. Now, the tenants—what are we going to do, because the section 8 will be gone—

Mr. SHAYS. Let me just say something, the challenge you have, I think is that HUD has to renew a contract or else they can go

into the private sector—just simply go out into the marketplace. I do not know the condition of these.

Ms. HENSON. They are in poor condition.

Mr. SHAYS. OK, so they really do not have a market other than HUD.

Ms. HENSON. Right.

[The prepared statement of Ms. Henson follows:]

## *NORTHSIDE TENANTS REORGANIZATION*

*1414 Brighton Road - Suite 300  
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(412) 322-3977 or 322-3970  
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### **HISTORY OF THE NORTHSIDE TENANTS REORGANIZATION**

At the end of the 1970's a local Christian community based organization, Northside Christian Housing put together a low income scattered site housing development. This was a 236 program federally subsidized program. The project was managed by the Allegheny Housing Rehabilitation Corporation. The aim, then as now, was to have affordable, decent, sanitary homes for low income people. However, after several years Northside Christian Housing defaulted on its mortgage payments and the U.S. Department of Housing and Urban Development foreclosed. There were houses that were either boarded up, had severed plumbing and electrical problems, or had bad rodent problems. The majority of the residents who resided in the property began to take the position that there was no hope, no one cared and in fact, that this was another example of poor people left to fend for themselves.

The Pittsburgh Renaissance was by now in full bloom. Suburbanites were moving back into the city. Because of the location of the Northside to downtown Pittsburgh, living on the Northside became quite desirable and convenient. The residents of the development knew that with the rising demand for property on the Northside, many low income residents would be displaced because our residents would not be able to compete with the private interest for scarce real estate on the Northside. Therefore, with the residents of the development realizing that their backs were up against the wall, the Northside Tenants Reorganization - N.T.R. - was formed in 1979 to insure that the tenants who resided in the development would be able to continue to live and reside in low income housing. HUD acquired title to the properties through foreclosures in the mid 1970's. HUD then began to seek a new owner and the management agent for the properties. According to new federal regulations as of October 1, 1979, tenants of such projects had the right to influence the outcome of the disposition as the cause of the failure of the development.

HUD then hired a management company by the name of Lable and Company to manage the property for them until they could find a buyer for the project. Meanwhile, the development continued to suffer from poor maintenance and management. Consequently, a group of tenants banded together and instituted a class action law suit against HUD and Label and Company. The tenants were represented by Neighborhood Legal Services and Judge Allan Bloch was the judge. He even at one point held court in some of the tenant's homes so that he could see first hand exactly what the tenants had been speaking about. The tenants won the law suit and HUD was told to repair all of the vacant and vandalized units and rent them. HUD explained that it would cost too much money to repair all of the units and the units were put up for sale.

On March 31, 1983, Tom Mistick and Sons purchased the units and they were renamed Northside Properties and Epic Real Estate, a subsidiary of Mistick, was the managing agent. Mistick immediately began to undertake the tasks of rehabilitating all 333 units. Northside Properties is scattered over a five mile area. Because of the fact that the units were so vastly scattered, this made the job of rehabing all of the units under a specified timetable more difficult. To further complicate matters, the residents had to meet with Mistick several times complaining about the way the construction crew was treating some of the resident's homes. However, after several weeks, the N.T.R.'s rehab committee was able to monitor the progress of the construction quite closely.

Northside Properties is a 333 scattered site Section 8 low income housing development. It consists of 251 buildings. The units are located in four different neighborhoods on Pittsburgh's Northside. They are: Central Northside, Calbride Place, Charles Street Valley and Perry Hilltop. The development has over 290 single female heads of households. Approximately 90% of the residents are on a fixed income.

After the law suit was won by the tenants, it was decided that in order to make certain that the residents of the development would continue to have a place to live - low income place, the new owners would have to agree that after a certain period, the tenants would be able to purchase the property from them and own and manage it themselves. Mistick agreed. Consequently, an agreement was made between Mistick and the N.T.R. that after the 15 year Section 8 subsidy was complete, (1998) the N.T.R. would purchase Northside Properties from the owners.

The N.T.R. is run by a 7 member board of directors which is made up of all tenants. There are also several committees, they are: Membership Committee, Modernization Committee, Newsletter Committee, Screening Committee and the Security Committee.

The N.T.R. board realized in 1987 that if they were to be successful in the buyout of the Mistick properties, that some sort of track record must be developed. The board then instructed the staff to begin to gather information on all of the vacant and vandalized houses in a section of the Calbride area called Brighton Place. Brighton Place is a street that is approximately six blocks long. Northside Properties currently has 49 units in this immediate area, so our residents dominate the street. However, there were still quite a few vacant units, poorly maintained privately owned rental units and two notorious drug bars. Nevertheless, the N.T.R. decided to take on the challenge of buying and rehabilitating all of the vacant and vandalized units in the Brighton Place area.

Several obstacles had to become first, however. The N.T.R. board realized that the organization would not be able to market any units on Brighton Place as long as the two bars were in operation. The N.T.R. knew this for a fact, because whenever there became vacancies on Brighton Place, the management company had a hard time renting those units. Brighton Place was so terrible, that there have been occasions where the N.T.R. staff and the Northside Properties staff had done pre-screening home visits on possible new tenants for the development who were currently residing in a shelter and the folks decided to continue to live in the shelter rather than move to a nice three bedroom house on Brighton Place. However, the N.T.R. was determined to change the atmosphere, environment and living conditions on Brighton Place.

In November, 1987, the N.T.R. was first introduced to Ms. Bertha Gilkey. She was in Pittsburgh for a three day speaking session with seven public housing and Section 8 groups. However, the N.T.R. was the only group that was determined to bring Ms. Gilkey back and began training towards the goal of tenant management. In April 1989, the Pittsburgh Partnership for Neighborhood Development gave the N.T.R. a grant to secure the services of Ms. Gilkey. Ms. Gilkey began her training with the residents of Northside Properties in July, 1989. The first phase - Leadership Development will conclude in six months, then the second phase - Tenant Management - will take place. This phase is 12 months long.

In March, 1989, Pittsburgh History and Landmarks Foundation loaned NTR \$250,000.00 to begin to rehab the neighborhood. The neighborhood where Brighton Place exists is Calbride Place which is also a national historic neighborhood. NTR was able to purchase 2 problem bars and close them. We were on our way.

## NTR TENANT MANAGEMENT

NTR has embarked on a process of careful preparation to fulfill the responsibilities of managing and owning the 333 Northside Properties units in which its members live and the blighted units nearby that are scheduled to be renovated as Brighton Place.

Initially, NTR members participated as advocates in the legal disposition of units during HUD foreclosures. Once the properties were sold to Mistick, Inc., they organized committees to monitor Mistick and its management agent, NTR has played a growing in the role in every aspect of management.

As members put it, "We do almost everything but collect the rent." Specifically NTR's current activities include:

- Participation in weekly meetings with Northside Properties staff, in monthly meetings with the managing general partner and in the budget development process.
- Pre-Screening visits to prospective residents' homes.
- Review and tracking of all maintenance work orders.
- Attendance at all apartment inspections.
- Resolution of conflicts and assistance at hearings or arbitration related to problem tenants.
- Direct involvement in interviewing and hiring of site manager.
- Provide Security for all of Northside Properties.

During 1990, NTR made significant progress in its efforts to increase management capacity. It sent six members to a national conference on resident management. It brought Secretary of Housing and Urban Development, Jack Kemp, to the site of a former Northside problem bar, as a means of securing support for Brighton Place renovations and local tenant management efforts.

Perhaps most importantly, 26 NTR members complete the first phase of rigorous tenant training program, conducted by Bertha Gilkey of Urban Women, Inc. Ms. Gilkey has earned national and international respect for her work at Cochran Gardens in St. Louis, Missouri, where she served as president of the highly successful Cochran Gardens Tenant Management Corporation.

In 1991, on the strength of this training and first hand experience with NTR capacity, Mistick, Inc. formally endorsed NTR's role as management agent, to be phased in over an 18 month period with active support from the company's staff. Mistick's letter of support outlines mutually-developed benchmarks for NTR's assumption of management responsibility, including completion of a assumption of management responsibility, including completion of a 12-month Phase II tenant management program with Berth Gilkey.

The Brighton Place development provided additional opportunities for NTR to strengthen its management capacity and understanding of development dynamics. NTR assumed responsibility for managing new-renovated Brighton Place units as they gradually became ready for occupancy over a 12 month period, beginning mid 1992. Northside Properties management staff was to provide back-up and technical support.

NTR's day-to-day involvement with Northside Properties management, intensive training by Urban Women, Inc., and the gradual phase-in of Brighton Place units will put NTR in a strong position to achieve its long-range goal -- direct management and control of Northside Properties.

After the successful completion of the Brighton Place Associates 34 units, NTR has acquired 40 additional properties in the Calbride area. NTR has taken on the challenge of developing the 200 vacant house in the Calbride neighborhood. This is a challenge, now NTR believes they are prepared for this challenge.

During the summer of 1993-1994, NTR hired 12 young men (ages 19-26) from the neighborhood to work for NTR in its Board Up/ Clean Up Program. Several were former gang members and hustlers from the neighborhood. They were paid \$9.00 per hour and for a period of 6 months, crime did decrease in Calbride. NTR would like to continue this program on a premanent basis eventually.

Mr. SHAYS. Let me do this. I would like Loretta Hall to just make some comments so I can then have Mr. Towns ask some questions before he has to leave in about 13 minutes, correct?

Mr. TOWNS. Right.

Mr. SHAYS. So if we could bring the mic over and then I am going to have him ask questions and then when he leaves, I will ask some.

Ms. HALL. Good afternoon. My name is Loretta Hall and I am the resident manager of Carr Square Village Resident Management Corp.

We have been managing since March 1973. Originally what we did was a survey with the residents to see what their priorities were. The first one that we had to do, of course, was the hard management things like rent up, collect the rent, do work orders, and get the management system in order. Just after that, we started our social programs.

We opened up a day care center, we wrote a proposal for the title 20 in-home services for the elderly and we did transportation for the elderly.

After that, we were so busy getting programs in to our residents, when we looked around, our board had changed, our executive director had changed, and they were no longer in favor of resident management. The reason we survived was because we had other income, we had done a development at O'Fallon Place and we also had done one in Cochran where we did get development funds and we were able to make it because we had other funds coming in.

We also took self-sufficiency very seriously a long time ago and we are now probably in our fourth generation of training residents to enter different job opportunities. Also we send them to college and we also send them to—we have training programs in construction, we have now operated several resident-owned businesses. We have an asbestos company and lead, we have a construction company. We are now in the process of doing economic development, which I feel will be the next step forward for us to see and to ensure that residents in our community are employed in our resident-owned businesses. We plan to do a grocery store, game room, a business incubator, and all these will be businesses owned and operated by residents.

I wanted to speak a little about—well, the other thing is home ownership. We have a program we will probably start the first of July moving families into the co-op. We have a program where we give families who are on Aid to Dependent Children, about 7 years to get self-sufficient. The elderly, we do have a pot of funding that will take care of them always.

The only other thing I wanted to mention is the TOP program. Prior to this being the TOP program, it was called the TAG program. And it was specifically geared to people going into resident management. Since then, it has been changed to TOP and they gave people other alternatives and people took them. They did economic development or training or whatever and they never bothered to do the resident management bit. And now all around the country, everybody is upset and wanting to know, you know, why were these groups not in resident management. It is because the whole emphasis of the program changed. And if you really are seri-

ous about the groups that received these TOP programs going into resident management, then that should be the focus.

Thank you.

Mr. SHAYS. Thank you very much. Mr. Towns.

Mr. TOWNS. Thank you, Mr. Chairman.

Let me begin with you, Ms. Williams. Now that HUD has taken over the housing authority in Chicago, has that made a difference from a support standpoint, to be able to get some of the things done that you want to get done?

Ms. WILLIAMS. Well, basically some of HUD officials that took over the housing authority, because they were HUD at first, right? And now they are in the housing authority, I think they are more housing authority officials now than they are HUD now. And basically, some of the things, I am not going to say all—some of the things is better, not all.

Mr. TOWNS. Is there anything that you can sort of indicate that might be a little better. I promised not to push today, I said that earlier.

Ms. WILLIAMS. All I would like to say I had always thought that HUD officials were more for resident participation rather than housing authority policies and HUD regulations, I always thought HUD was more for that. But it just does not seem that way.

Mr. SHAYS. More rhetoric than substance.

Ms. WILLIAMS. Yes. You know, before they—OK, we had more emphasis from HUD with resident empowerment when they was HUD. But now they are in housing authority, it seems like they are not more so for residents like I thought they were.

Mr. TOWNS. So there is something about that housing authority, huh?

Ms. WILLIAMS. Yes, I think it is some kind of chemical in the bricks.

Mr. SHAYS. Would the gentleman yield?

Mr. TOWNS. Yes.

Mr. SHAYS. I think the point you are making is that Chicago is run basically by HUD Washington and now that they are in there locally, they are not kind of doing—it does not appear that they are kind of encouraging. I think part of it is, in deference to HUD-Washington, they came in and they are trying to have a quick turnaround in terms of—

Ms. WILLIAMS. Right.

Mr. SHAYS. And there is no question that tenant management is a long-term process of empowering people and so I suspect that is probably one of the things you are encountering. I may be wrong.

Ms. WILLIAMS. And what I am basically saying is maybe they should have stayed in Washington. I am not saying they should not have taken over, because the way the housing authority was, it was terrible, it was terrible the way some of the housing authority officials was. But what I am saying is the same way you thought in Washington, I wish you would think in Chicago.

Mr. TOWNS. Let me say that when we talk about TOP dollars in particular—I used it early on and indicated that it was a bad example, but the point was that the more I think about it, I think it was not a bad example. The TOP dollars, as the housing authority would say it is just a pass through, we just pass it right on

through and I do not know why you are concerned about it because we do not even touch it, we just pass it right on through. [Laughter.] And they sort of emphasize it to the point where it makes it almost a bad kind of question, but the point of that, when I hear that it is more than that, that there is a delay, that they are supposed to fill out forms that they do not fill out and that sometimes you expect to get it at a certain time and you do not because of something that they did not do. It seems to me that that is a problem. Did I get that from you too? I know I got it from you.

Ms. HALL. We have never received TOP or TAG.

Mr. TOWNS. Well, how do you do economic development, where do you get the money from, may I ask?

Ms. HALL. We had a HOPE-1 grant and we also had a special purpose grant.

Ms. WILLIAMS. We received a TAG grant, which I liked it better when it was a TAG grant. We got a 100-percent TAG grant, so they told us we could not have any more TOP or anything else at that point. But I think it should go back to the way it was with the TAG grant.

Mr. TOWNS. Let me come to you, Ms. Henson. Do you have any idea as to the kind of subsidy that HUD has put into your development? Because you know, there is a tremendous subsidy.

Ms. HENSON. Well, in 1983 when they bought it, the annual budget that HUD subsidized was about \$1.5 million a year, and right now we get the proposed rents and every year they get what they ask for, we will probably be close to \$4.5 million a year. So each year we have escalated. We have gone from 1983 to like \$1.5 to 1996 where we are like now at \$4 million, each year we keep going up. It has been about \$30 million that they have put—and that is just a guess, I do not know, but it has been an awful lot of money that the developers, the owners have gotten for the services and the living conditions where the tenants are.

Mr. TOWNS. Well, let me thank all of you for your testimony. I cannot dismiss you because I am not the chairman, but next year—[Laughter.]

But before I go, let me thank you for your testimony. I yield back to the chairman.

Mr. SHAYS. Let me just say that the one reason why I am very nice to Mr. Towns is there being the slight possibility that if he is chairman, he will remember what a good man I have been. [Laughter.] I never forget when you walk up the stairs, some people go down, but you can be going down the stairs the next year.

Mr. TOWNS. Thank you, Mr. Chairman.

Mr. SHAYS. It is tremendous imagery, Ms. Patton, thinking about you trying to have—benefit a community and being basically chased out by people who could do tremendous harm to you, and your perseverance in trying to get back in.

What is the condition of the development that you basically were chased out of?

Ms. PATTON. What is the condition today?

Mr. SHAYS. Yes.

Ms. PATTON. They are starting to move back in. Like I said—

Mr. SHAYS. Who is they?

Ms. PATTON. The gang members and the drug pushers. This happened in 1994. Last year was a pretty quiet summer and everything, and like I said, the housing authority has pulled the enforcement team out, they have taken out the housing patrol and now all the signs are back. At first, it was the folks that were there and now we have the Asian gangs that are there and now they are starting to go at each other. You have got the folks saying this is our turf, you have got the Asians saying this is their turf.

Mr. SHAYS. How many units?

Ms. PATTON. It is 184 townhomes.

Mr. SHAYS. If you had to rewrite history, what would have happened to have prevented this? What could have happened and what should have happened?

Ms. PATTON. I think that what should have happened is when we had the enforcement team in, I think the enforcement team should have remained and I think maybe at some point, an onsite unit maybe should have been given to bring onsite policemen on to let them know that the police is there or that security is there. Because like the neighborhood that we live in is like a middle-class neighborhood and so when you go to people and you say you have this problem with the gangs and drugs, they do not believe it, they just do not believe it. And when they finally believe it is when the gunshots are going off in the middle of the night. So when they run out of Glendale, they run through Prospect Park, which is a rich neighborhood. So, it was after they started running through Prospect Park and they started robbing people up there and they robbed this big time lawyer up there, is when the housing authority started reacting. But until then, they just ignored the problem.

So, I think that once they brought that enforcement team in and that enforcement team started working with the families, because they were, they were also working with the families, a lot of young children that needed someone to work with them. They had started doing that and they had started kind of building a relationship with the youth that was there and so once it started working and it was going away, the crime was dying down, then the housing authority pulled them out. So we do not have any protection in Glendale. The only thing that we have at this time is the city police. So when I call down the management and I say well, over at 84 St. Marys they are outside, they are pitching pennies, they are shooting dice on the sidewalk, she tells me to call 911.

Mr. SHAYS. Now give me—describe to me the condition of the resident participation at Glendale.

Ms. PATTON. The resident participation is very high. I have—well, we have our community meetings once a month.

Mr. SHAYS. I guess what I am trying to ask you is, if it is high, then why—what I guess I am hearing you say is that just because you have a significant involvement of tenants, that that in itself is not enough to get rid of the gangs.

Ms. PATTON. It is not enough because they are there with guns and there is no police, you know. So there is no one that we have to talk to.

Mr. SHAYS. But is there a critical mass of tenants that are willing to just go out and march to chase them away? What has happened—

Ms. PATTON. We did that in 1992, that is what we did, the tenants got together and we had National Night Out where we lit candles and we went down through the community, watching for the community, saying "no more." And then we evicted those families that was housing the drug dealers. Like the families that was using drugs, we brought in a drug counselor that started working with the residents, but the problem was there that they had nowhere to be housed. So once they finally got it through to the residents and the residents started coming out and started taking advantage of the service, then the service no longer existed, the housing authority pulled it out.

Mr. SHAYS. Ultimately the whole point of having tenant management is to then be able to run residents—I said tenants, but residents to be able to run their own facilities. So the TOP grant is not the end, it is really the beginning of a process which should result ultimately in residents who can run a facility themselves. And ultimately, what we want are the subsidization grants, the money that—you know, Ms. Williams, when I was there, you were telling me that HUD got so many hundreds of thousands, if not millions, to run Burling, North Burling, you did not get enough of that. In other words, your question to me, as I remember, Cora's as well, was you were trying to say that more money came to this unit than you got, even though you were being asked to run it.

Let me back up a second. You do run the facility entirely, correct?

Ms. WILLIAMS. 1230 Burling, yes; we are in full management. But what we are saying is OK, the housing authority got 100 percent subsidy, whereas they are only giving us 40 percent to run the same building that they ran for 100 percent of funding.

Mr. SHAYS. Yes; and you are able to do it, that is the amazing thing.

Ms. WILLIAMS. But we—

Mr. SHAYS. You could do so much more. I am not justifying that, they are going to have to take some off for what I would call total overhead, but that is a hell of a difference of 40 versus 100.

Ms. WILLIAMS. Yes; and we are operating off of 40 percent, the next building next to me is operating at 100 percent and my building looks better than that.

Mr. SHAYS. Yes; and they run that building, you run this building.

Ms. WILLIAMS. Right. This is what I am saying, but my building looks like I get the 100 percent but I do not.

Mr. SHAYS. I hear you.

I was going to have my staff—Demi, one of the things that I wanted to follow up on with the whole issue of North Burling is that basically it is your estimate you get 40 percent of the 100 percent of the operation subsidy.

Ms. WILLIAMS. Yes.

Mr. SHAYS. Yet their building is maintained so much better. I would love to, as an addition to the report, have that explained to me.

What would they say to me?

Ms. WILLIAMS. Well, they are going to say, Congressman Shays, I do not see how this is done like this.

Mr. SHAYS. Would they deny it?

Ms. WILLIAMS. Yes, of course they will.

Mr. SHAYS. OK. Or would they—OK, your basic point is they would say not true, so we have to get into the numbers with them.

Ms. WILLIAMS. Right, you have to get in, but you know in Chicago, it is going to take the whole Washington HUD and the whole Congress to figure out their books. [Laughter.]

Mr. SHAYS. You underestimate me.

Ms. WILLIAMS. The Chicago Housing Authority books?

Mr. SHAYS. No, no; you underestimate me on this one issue.

Now, let me just say that what Demi is telling me is that we did contact them and they said that they had resolved it, so maybe that is confirming your point. [Laughter.]

Ms. WILLIAMS. Oh, they said they resolved it? They did not resolve it with us. [Laughter.]

Mr. SHAYS. I hear you.

Ms. WILLIAMS. What is done is we have a meeting with them, an exit meeting with them every month, this has not been resolved. They told me to put it in writing and I put it in writing.

Mr. SHAYS. OK, and did you give us a copy of that letter?

Ms. WILLIAMS. Did I give you a copy of the letter? I can give it to you.

Mr. SHAYS. OK, here is what we are going to do, we are going to continue this dialog off hearing, but it will be a good process for me to learn about how that system is working.

The basic message that I am hearing from all three panels is that it is a rare occurrence when the local housing authorities are eager to see and to work with and to have the patience to see tenants evolving to a point where they can manage and that they in a sense view tenant management as potential competition. That is not illogical to discover, but a little disheartening to find that basically with all the tenant groups that we have from around the country here today, that it is a rare event, at least it appears, that tenants are being encouraged to really manage their own properties and be given the training and resources necessary to get the job done. So you know, that is just, I have to say, a pretty big disappointment. I guess I am not totally surprised, I am not even really surprised, but I guess what we need to do is really try to identify what housing authorities, other than the one from Cleveland, but admittedly we had the authority themselves describing what they are doing, but it would be very interesting to have that be kind of the next process along the way.

Ms. Hall, did you want to make any comments? You have heard some comments here—about the hearing in general?

Ms. HALL. Well, I think the only thing I would like to add is that I was at a HUD conference over the weekend and residents are real upset about the new directions of HUD and they announced that they would be demolishing, I think, 100,000 units, 25 have already been identified.

Mr. SHAYS. We are going to follow up as well. I am happy you have made that point, but we need to know, of the 100,000 potential units—to demolish by what year?

Ms. HALL. This year.

Mr. SHAYS. OK, of that number, how many are because of the condition of the buildings and then how many are basically as a result of wanting to reduce density and so on? The density issue in some cases I think can be resolved by a proactive energized tenant organization. I mean, I have to say to you that in one of my communities in Stamford, we are taking down three high rises that will literally cost us more to build and now we are going to be putting townhouses, which we will not get the same number for, so it is a concern there, but those buildings should be taken down.

Ms. HALL. I understand that. But I think the problem is that the tenants do not really feel that they are going to be involved in the new redevelopment and that in cases they are pushing private developers and in some cases it may be good. I mean we are doing something here like that, but I think it is going to be to everyone's advantage, even the residents, but throughout the country, I think they feel that they are really going to lose housing. And they are talking about giving them vouchers, which is good for 2 years. And what do they do after that.

My other thing is that I think that people who are living in these developments, even if you were not middle-income people there, you can make them be middle-income people by giving them training and jobs, giving them education. And that we should really focus on trying to do that.

Mr. SHAYS. I do agree with that, but I have to tell you that I think there is a good head start in getting some individuals who have had a solid history of work experience and, you know, for whatever reason, in public housing—I would like to think that that 4-year-old kid sees—I would love to think that they see a policeman go up the elevator and not just to arrest someone but because they are living there.

In 1 second, I am going to invite some people in the back of the audience to make comments, but let me just get some closing words. Ms. Williams, do you have any closing comments?

Ms. WILLIAMS. Yes; I do. Basically my closing comment, I would like to see us own, like the HOPE-1 grant, the HOPE-1, that we own some. Some of us have been in public housing for 20, 30, 40 years and I think we should own some of that property.

Mr. SHAYS. It would be interesting to see if we could have a developer—I am particularly struck when I was looking at your facility because I looked out and I did not see a lot of other buildings nearby and it would be interesting—and yet you are telling me they are going to take some of them down.

Ms. WILLIAMS. Yes; they have already took four in Cabrini and like you say—

Mr. SHAYS. It would be interesting if they could see if any developer wanted to buy them and to renovate them.

Ms. WILLIAMS. Some want to buy them, but they do not want the residents there.

Mr. SHAYS. But then you could do mixtures, you could make some requirement of that.

Ms. WILLIAMS. Congressman Shays, I understand what you are saying about the policeman living there and everything, but Cabrini has been mixed income for years. Some of the rent we pay

is outrageous, to be in Cabrini, so we have been a mixed income for years.

Mr. SHAYS. This gets us into the whole thing of 30 percent, but however well intended, when some people are actually paying more than the market rate—

Ms. WILLIAMS. Yes; because it is in that area.

Mr. SHAYS. Yes.

Ms. WILLIAMS. When Chairman Lang was at the housing authority, he went out and said what is the market rate. You cannot market rate us for where we live, we live by the golf course. If you are going to market rate us for where we live at, our rent is going to be \$2,000 a month.

Mr. SHAYS. But the location is one thing, the condition of units is another.

Ms. WILLIAMS. Right.

Mr. SHAYS. Ms. Patton, do you have any comment you want to make?

Ms. PATTON. Yes; I would. For one thing, I would like to say in reference to the local HUD and HUD, I would like to see them get more involved down at the grassroots level with residents that are trying to move into resident management, and to make sure that the residents, local HUD and the housing authority are on the same level in trying to interpret just exactly what CFR 964 means. And I think that is very important that that relationship is built, and I think if it does not happen, what comes out of it is a lot of hardship. So when you do—I mean like if we do get a dual management contract with the housing authority, it would be very, very hard for us to go and to train with them, for my residents to train with them considering some of them had given up jobs, had quit school to do this training. And so it is just really hard.

And I think the other people—in Minneapolis, they call it tenant advisory committee where the resident sits on and they have this meeting in the day, early in the day before the housing authority meets, the board of commissioners meet. And they have these real sophisticated documents that the residents do not understand. And they sit there and approve those documents before they go before the board of commissioners, and I think it is really important too that they be educated on what they are approving before the executive director can take it before the board of commissioners to be approved. I think that is really key. I think that is one of their ways of saying that they have resident input when the residents really do not understand what they are approving in the beginning.

Mr. SHAYS. Thank you very much. Harriett Henson.

Ms. HENSON. I would just like to close by saying that in Pittsburgh currently we do have a good executive director of the Pittsburgh Housing Authority, Mr. Stanley Lowe and the mayor of the city was also the chairman of the board of the housing authority. So in the last 18 months, it has changed toward the better.

Mr. SHAYS. Is that a new development, you said the mayor is the chairman?

Ms. HENSON. Uh-huh.

Mr. SHAYS. Is that a new development, having the mayor be the chairman?

Ms. HENSON. Yes, when he ran for mayor, he said if he was elected, he would become chairman of the board of the housing authority, and he did. So that has made a lot of difference in Pittsburgh.

The other thing that I would just like to say as it relates to assisted housing, in the next 2 years, not only our development but a lot of other developments that were section 8 mod rehabs back in the early 1980's, their 15- or 20-year deal is going to be up and there is going to be an awful lot of people that I do not think that people have really thought about what is going to happen to that segment of the population. So I would like to make sure that at some point you hold a hearing on that.

Mr. SHAYS. Thank you. We should be having a hearing on that. Our cup runneth over on things that we need to look at.

Let me ask this. Is there anyone who has not testified, who would like to make a statement? We may have a problem—let me ask the recorder a question, can you pick up if I do not have them before the mic?

The REPORTER. Yes.

Mr. SHAYS. OK. If you would stand up, if you have any comment you would like to make. Does anyone here want to make a comment? If so, stand up and tell me your name.

#### STATEMENT OF PAULA FOSTER

Ms. FOSTER. My name is Paula Foster.

Mr. SHAYS. Say it again.

Ms. FOSTER. Paula Foster.

Mr. SHAYS. Paula Foster; yes, ma'am.

Ms. FOSTER. I am the new resident manager for the corporation in St. Louis.

Mr. SHAYS. Excuse me—let me just thank the panel for being here. You are all done and I do thank you for testifying.

Ms. FOSTER. I am the executive director of a tenant association who went into RMC in October 1995.

Let me say that it does work, resident management—the TOP grant helped us. We got it in 1992, 18 months training, 3 months working with the housing authority, 3 months working with residents, and in October 1995 we went into resident management.

To make it work, it takes three people, it takes the residents, it takes the housing authority and it takes the HUD office to make it work because there are problems along the line there.

That is all I have.

[Applause.]

Mr. SHAYS. I am going to have Tom pass by and anyone who testifies, put your name, print it, and address, so the recorder may have it. Thank you very much.

Anyone else who wants to make a statement? Yes, ma'am.

#### STATEMENT OF ARABELL DENNY

Ms. DENNY. My name is Arabell Denny.

Mr. SHAYS. Erba?

Ms. DENNY. Arabell Denny. I am a commissioner for Poughkeepsie Housing Authority.

My statement is how can HUD intervene with the commissioners—I am a resident commissioner—that tries to micromanage

housing. You know, at every step that we turn, they knock down everything the residents try to do.

Mr. SHAYS. This is your own board in Poughkeepsie?

Ms. DENNY. Oh, yes, we have a split board.

Mr. SHAYS. I understand, but you are not saying HUD-Washington is micromanaging, you are saying your own—

Ms. DENNY. The board, our board in Poughkeepsie is micromanaging. How can HUD intervene with the mayor—what the mayor did to us, she put a 92-year-old lady on our board that was a former board member 30 years ago, that was asked to step down at that time from the mayor that was in place because of her antics on the board.

Mr. SHAYS. But your bottom line question is?

Ms. DENNY. What can be done about the foolishness?

Mr. SHAYS. This might be something that we have to have a more private conversation with, but it is—we are trying to allow local housing authorities to have more say, not less. So that seems to run in the face of your question, but we are going to have a private conversation about that.

Anybody else? Yes, sir.

#### STATEMENT OF BILL SEITZ

Mr. SEITZ. Bill Seitz from Chicago Metropolitan Baptist Association.

Mr. SHAYS. Yes, Bill, nice to see you again.

Mr. SEITZ. Congressman Shays, last night my associates and I spent the night in Cochran in a unit. We brought sleeping bags like we did in Cabrini. I might want to say that it was probably quieter than my house in Woodridge, IL, but I have four kids and a dog, so maybe that is why it was less noisy.

Two comments: One, I think of helping—I read in the Chicago Tribune that the inspector general is very concerned because the resident management groups in 1993 were given \$20 million and there are only 15 of them going, which signifies about a million and a half dollars per management group.

Mr. SHAYS. Yes.

Mr. SEITZ. And I would like to say that that is money well spent because a million and a half dollars to get 15 of them going is wonderful when you consider that the Chicago Housing Authority lost \$28 million in a pension situation and what happened to that money? So I would say, looking on the positive.

Mr. SHAYS. Right.

Mr. SEITZ. The second thing I would like to say is the urgency of this. People here are scared. That should have become very evident to you when people say well, we are working on the problem or whatever, I read here Chicago Tribune, May 30, 1996, that says "Residents of 1150 and 1160 North Sedgewick, the third of the three Cabrini Green buildings slated for demolition, will get 60-day move-out notices within the next few months." And that is a quote from the Chicago Housing Authority Director in a place that is fully occupied right now and they just knocked down the two buildings right next to it, so it stands alone, even more than 1230 North Burling right now.

Mr. SHAYS. So it is not a density issue.

Mr. SEITZ. No. It is definitely not a density issue and it is fully 100 percent occupied, and the building is falling down as well. But the urgency of—the people are scared, they do not know what to believe. I mean, they read one thing, they read they are working on the problem, and so I would say that action needs to be done quickly, at least for the peace of mind of a lot of these people to find out, you know. Because a lot of them feel, and history is in their case, that when they are moved out, it is wonderful to build all these townhouses and everything else, but we are talking about—and I have documentation—all the plans only call for 20 percent of those people to come back into the residences. So therefore, the question becomes what happens to the other 80. My daughter asked that question as we were going to church one Sunday, she said well, if they knock all these buildings down—

Mr. SHAYS. How old is your daughter?

Mr. SEITZ. Nine.

Mr. SHAYS. Good.

Mr. SEITZ. What happens to all the people? What happens to all the people here. And I said good question, could you come with me to a meeting and ask that question.

So I would say the two things to say is, the one point of resident management, OK, it is maybe not the only solution, but it is a solution that is working, so let us identify those groups and help those groups and (b) there is an urgency that needs to take place so that the people who live there have some sort of peace of mind that they are not going to be on the street next week or they are not going to be gone in 2 years or whatever the situation is.

Thank you.

Mr. SHAYS. Thank you very much.

[Applause.]

Anyone else? I am hoping that I will get a little time before I take my plane for a tour, and it is not going to be as long a tour as I would like, so we will try to end up. I wanted someone who has not yet spoken.

#### STATEMENT OF REV. TIM LARKIN

Reverend LARKIN. Hi, Congressman Shays. My name is Rev. Tim Larkin of the Chicago Metro Baptist Association.

Mr. SHAYS. You have a reverend's smile. [Laughter.]

Reverend LARKIN. I just wanted to state from a non-profit organization's perspective that we need alliances that you have seen such as Mr. Seitz and Ms. Gilkey have been able to develop whereby the glue of communities such as seen through churches is able to empower and to give growth and just help in the community.

Something that happens though is many times, HUD ends up trying to use us as a scapegoat thereby trying to mismatch us, even call us in to work with dysfunctional communities in a way whereby they do not empower us to be able to truly make change. So one of our concerns from a not-for-profit basis is that we come in truly looking to be a servant to the community from the values base that we come from, and with that, want to be taken seriously as we show the expertise and trust that we can bring to the table.

I just wanted to share that.

Mr. SHAYS. Thank you.

I would like to thank everybody for coming; the witnesses, also the housing authority for giving us this facility and so on, and to just tell you that Mr. Towns and I are both working together to try to get a handle on how we can prod HUD more toward meaningful tenant involvement. We do want, as was pointed out earlier, we do want people to know how to grow the seeds and that is kind of our focus.

I am concerned that time was mentioned by Mr. Seitz, we just may not—with all our effort, we just may not be able to move forward as quickly. We are going to address this issue tomorrow with the Secretary. I am going to be speaking to him sometime tomorrow to just let him know about this hearing, if he is in tomorrow or the day after. So I will be starting that process as soon as I get back to Washington.

[Applause.]

I thank you all and this hearing is adjourned.

[Whereupon, at 12:50 p.m., the subcommittee was adjourned.]



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